

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 3, 2023

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-38417

**BurgerFi International, Inc.**

(Exact name of Registrant as specified in its Charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)  
  
200 West Cypress Creek Rd., Suite 220  
Fort Lauderdale, FL  
(Address of principal executive offices)

82-2418815  
(I.R.S. Employer  
Identification No.)  
  
33309  
(Zip Code)

(954) 618-2000  
(Registrant's telephone number, including area code)  
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	BFI	The Nasdaq Stock Market LLC
Redeemable warrants, each exercisable for one share of common stock at an exercise price of \$11.50 per share	BFIW	The Nasdaq Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

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

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

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

The number of shares of the registrant's Common Stock outstanding as of August 11, 2023 was 26,800,100

**Table of Contents**

	<u>Page</u>
<b>Part I Financial Information</b>	
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3. Quantitative and Qualitative Disclosures About Market Risk	36
Item 4. Controls and Procedures	36
<b>Part II Other Information</b>	
Item 1. Legal Proceedings	37
Item 1.A. Risk Factors	37
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	37
Item 5. Other Information	37
Item 6. Exhibits	38
Signatures	40

### Forward-Looking and Cautionary Statements

This Quarterly Report on Form 10-Q contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may appear throughout this Quarterly Report on Form 10-Q, including without limitation, the following sections: Part 1, Item 2. *“Management’s Discussion and Analysis of Financial Condition and Results of Operations.”* Forward-looking statements generally can be identified by words such as *“anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will be,” “will continue,” “will likely result,”* and similar expressions. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in our Annual Report on Form 10-K for the year ended January 2, 2023 and this Quarterly Report on Form 10-Q, and in particular, the risks discussed under the caption *“Risk Factors”* in Item 1A of such reports and those discussed in other documents we file with the Securities and Exchange Commission (the *“SEC”*). We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

**Part I. Financial Information.**

**Item 1. Financial Statements.**

**BurgerFi International Inc., and Subsidiaries  
Consolidated Balance Sheets**

<i>(in thousands, except for per share data)</i>	Unaudited	
	July 3, 2023	January 2, 2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 10,711	\$ 11,917
Accounts receivable, net	1,457	1,926
Inventory	1,438	1,320
Assets held for sale	1,527	732
Prepaid expenses and other current assets	1,525	2,564
<b>Total Current Assets</b>	<b>\$ 16,658</b>	<b>\$ 18,459</b>
Property & equipment, net	18,247	19,371
Operating right-of-use assets, net	45,565	45,741
Goodwill	31,621	31,621
Intangible assets, net	155,213	160,208
Other assets	971	1,380
<b>Total Assets</b>	<b>\$ 268,275</b>	<b>\$ 276,780</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable - trade and other	\$ 7,723	\$ 8,464
Accrued expenses	8,381	10,589
Short-term operating lease liability	12,274	9,924
Short-term borrowings, including finance leases	3,485	4,985
Other current liabilities	2,842	6,241
<b>Total Current Liabilities</b>	<b>\$ 34,705</b>	<b>\$ 40,203</b>
<b>Non-Current Liabilities</b>		
Long-term borrowings, including finance leases	49,786	53,794
Redeemable preferred stock, \$0.0001 par value, 10,000,000 shares authorized, 2,120,000 shares issued and outstanding as of July 3, 2023 and January 2, 2023, \$53 million principal redemption value, respectively	53,482	51,418
Long-term operating lease liability	40,889	40,748
Related party note payable	14,412	9,235
Deferred income taxes	1,223	1,223
Other non-current liabilities	1,330	1,212
<b>Total Liabilities</b>	<b>\$ 195,827</b>	<b>\$ 197,833</b>
<b>Commitments and Contingencies - Note 8</b>		
<b>Stockholders' Equity</b>		
Common stock, \$ 0.0001 par value, 100,000,000 shares authorized, 26,724,218, and 22,257,772 shares issued and outstanding as of July 3, 2023 and January 2, 2023, respectively	2	2
Additional paid-in capital	314,749	306,096
Accumulated deficit	(242,303)	(227,151)
<b>Total Stockholders' Equity</b>	<b>\$ 72,448</b>	<b>\$ 78,947</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 268,275</b>	<b>\$ 276,780</b>

*See accompanying notes to consolidated financial statements.*

**BurgerFi International Inc., and Subsidiaries**  
**Consolidated Statements of Operations**  
(Unaudited)

	Quarter Ended		Six Months Ended	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
<i>(in thousands, except for per share data)</i>				
<b>Revenue</b>				
Restaurant sales	\$ 40,808	\$ 42,236	\$ 84,124	\$84,592
Royalty and other fees	2,190	2,611	4,160	4,714
Royalty - brand development and co-op	429	451	870	922
<b>Total Revenue</b>	<b>\$ 43,427</b>	<b>\$ 45,298</b>	<b>\$ 89,154</b>	<b>\$ 90,228</b>
Restaurant level operating expenses:				
Food, beverage and paper costs	10,772	12,545	22,382	25,352
Labor and related expenses	12,699	12,328	25,916	24,910
Other operating expenses	7,760	7,421	15,216	14,613
Occupancy and related expenses	3,930	3,890	7,763	7,725
General and administrative expenses	5,812	7,406	12,388	13,432
Depreciation and amortization expense	3,295	4,730	6,522	9,174
Share-based compensation expense	556	909	5,230	8,285
Brand development, co-op and advertising expenses	933	1,126	2,029	1,839
Goodwill and intangible asset impairment	—	55,168	—	55,168
Restructuring costs and other charges, net	1,135	52	2,174	1,040
<b>Total Operating Expenses</b>	<b>\$ 46,892</b>	<b>\$ 105,575</b>	<b>\$ 99,620</b>	<b>\$ 161,538</b>
<b>Operating Loss</b>	<b>(3,465)</b>	<b>(60,277)</b>	<b>(10,466)</b>	<b>(71,310)</b>
Interest expense, net	(2,211)	(2,246)	(4,289)	(4,318)
(Loss) gain on change in value of warrant liability	(318)	1,858	(391)	1,324
Other loss	(5)	(47)	(5)	(80)
<b>Loss before income taxes</b>	<b>\$ (5,999)</b>	<b>\$ (60,712)</b>	<b>\$ (15,151)</b>	<b>\$ (74,384)</b>
Income tax (expense) benefit	(2)	335	(2)	447
<b>Net loss</b>	<b>\$ (6,001)</b>	<b>\$ (60,377)</b>	<b>\$ (15,153)</b>	<b>\$ (73,937)</b>
<b>Weighted average common shares outstanding:</b>				
Basic	24,891,449	22,214,628	24,216,199	22,089,799
Diluted	24,891,449	22,214,628	24,216,199	22,089,799
<b>Net loss per common share:</b>				
Basic and Diluted	\$ (0.24)	\$ (2.72)	\$ (0.63)	\$ (3.35)

*See accompanying notes to consolidated financial statements.*

**BurgerFi International Inc., and Subsidiaries**  
**Consolidated Statements of Changes in Stockholders' Equity**  
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
<i>(in thousands, except for share data)</i>					
<b>Balance as of March 31, 2022</b>	<b>22,042,583</b>	<b>\$ 2</b>	<b>\$ 303,383</b>	<b>\$ (137,279)</b>	<b>\$ 166,106</b>
Share-based compensation	238,514	—	909	—	909
Vested shares issued	—	—	—	—	—
Shares issued in acquisition of Anthony's*	—	—	—	—	—
Shares withheld for taxes	(27,865)	—	(101)	—	(101)
Net income	—	—	—	(60,377)	(60,377)
<b>Balance as of June 30, 2022</b>	<b>22,253,232</b>	<b>\$ 2</b>	<b>\$ 304,191</b>	<b>\$ (197,656)</b>	<b>\$ 106,537</b>

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
<i>(in thousands, except for share data)</i>					
<b>Balance as of April 3, 2023</b>	<b>23,823,105</b>	<b>\$ 2</b>	<b>\$ 310,768</b>	<b>(236,302)</b>	<b>\$ 74,468</b>
Shares issued in private placement	2,868,853	—	3,436	—	3,436
Share-based compensation	—	—	556	—	556
Vested shares issued	41,883	—	—	—	—
Shares issued in legal settlement	—	—	—	—	—
Shares withheld for taxes	(9,623)	—	(11)	—	(11)
Net loss	—	—	—	(6,001)	(6,001)
<b>Balance as of July 3, 2023</b>	<b>26,724,218</b>	<b>\$ 2</b>	<b>\$ 314,749</b>	<b>\$ (242,303)</b>	<b>\$ 72,448</b>

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
<i>(in thousands, except for share data)</i>					
<b>Balance as of December 31, 2021</b>	<b>21,303,500</b>	<b>\$ 2</b>	<b>\$ 296,992</b>	<b>\$ (123,719)</b>	<b>\$ 173,275</b>
Share-based compensation	—	—	4,475	—	4,475
Shares issued for share-based compensation	965,676	—	3,810	—	3,810
Shares issued in acquisition of Anthony's*	123,131	—	—	—	—
Shares withheld for taxes	(139,075)	—	(1,086)	—	(1,086)
Net income	—	—	—	(73,937)	(73,937)
<b>Balance as of June 30, 2022</b>	<b>22,253,232</b>	<b>\$ 2</b>	<b>\$ 304,191</b>	<b>\$ (197,656)</b>	<b>\$ 106,537</b>

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
<i>(in thousands, except for share data)</i>					
<b>Balance as of January 2, 2023</b>	<b>22,257,772</b>	<b>\$ 2</b>	<b>\$ 306,096</b>	<b>\$ (227,151)</b>	<b>\$ 78,947</b>
Shares issued in private placement	2,868,853	—	3,436	—	3,436
Share-based compensation	—	—	5,230	—	5,230
Vested share issued	1,681,057	—	—	—	—
Shares issued in legal settlement	200,000	—	352	—	352
Shares withheld for taxes	(283,464)	—	(365)	—	(365)
Net loss	—	—	—	(15,153)	(15,153)
<b>Balance as of July 3, 2023</b>	<b>26,724,218</b>	<b>\$ 2</b>	<b>\$ 314,749</b>	<b>\$ (242,303)</b>	<b>\$ 72,448</b>

\*Timing of share issuance differs from recognition of related financial statement dollar amounts.

See accompanying notes to consolidated financial statements.

**BurgerFi International Inc., and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

<i>(in thousands)</i>	Six Months Ended	
	July 3, 2023	June 30, 2022
<b>Cash Flows (Used in) Provided by Operating Activities</b>		
Net loss	\$ (15,153)	\$ (73,937)
Adjustments to reconcile net loss income to net cash (used in) provided by operating activities		
Goodwill impairment	—	55,168
Depreciation and amortization	6,522	9,174
Share-based compensation	5,230	8,285
Loss on legal settlement	131	—
Forfeited franchise deposits	(374)	(433)
Non-cash lease cost	(36)	112
Loss (gain) on change in value of warrant liability	391	(1,324)
(Gain) loss on disposal of property and equipment	(10)	385
Deferred income taxes	—	(447)
Other non-cash interest	2,378	2,290
Other, net	108	32
Changes in operating assets and liabilities		
Accounts receivable	480	270
Inventory	(97)	35
Prepaid expenses and other assets	1,410	225
Accounts payable - trade	(784)	2,120
Accrued expenses and other current liabilities	(2,924)	1,895
Other long-term liabilities	112	38
<b>Cash Flows (Used in) Provided by Operating Activities</b>	<b>\$ (2,616)</b>	<b>\$ 3,888</b>
<b>Net Cash Flows Provided By Investing Activities</b>		
Purchases of property and equipment	(1,046)	(1,056)
Proceeds from the sale of property and equipment	26	1,025
<b>Net Cash Flows Used in Investing Activities</b>	<b>\$ (1,020)</b>	<b>\$ (31)</b>
<b>Net Cash Flows Used in Financing Activities</b>		
Proceeds from issuance of common stock	3,436	—
Payments on borrowings	(5,662)	(1,667)
Proceeds from related party note payable	5,100	—
Tax payments for restricted stock upon vesting	(368)	(1,086)
Debt issuance costs	—	(164)
Repayments of finance leases	(76)	(82)
<b>Net Cash Flows Provided by (Used in) Financing Activities</b>	<b>\$ 2,430</b>	<b>\$ (2,999)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(1,206)</b>	<b>858</b>
<b>Cash and Cash Equivalents, beginning of period</b>	<b>11,917</b>	<b>14,889</b>
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 10,711</b>	<b>\$ 15,747</b>

[Table of Contents](#)

<b>Supplemental cash flow disclosures:</b>				
Cash paid for interest	\$	1,664	\$	1,454
Fair value of net liabilities assumed in legal settlement	\$	(79)	\$	—
Fair value of common stock issued in legal settlement	\$	(352)	\$	—
ROU assets obtained in the exchange for lease liabilities:				
Operating leases	\$	4,677	\$	—

*See accompanying notes to consolidated financial statements.*



**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**1. Organization**

BurgerFi International, Inc. and its wholly owned subsidiaries (“BurgerFi,” or the “Company,” also “we,” “us,” and “our”), is a multi-brand restaurant company that develops, markets and acquires fast-casual and premium-casual dining restaurant concepts around the world, including corporate-owned stores and franchises located in the United States, Puerto Rico and Saudi Arabia.

As of July 3, 2023, the Company had 174 franchised and corporate-owned restaurants of the two following brands:

**BurgerFi.** BurgerFi is a fast-casual “better burger” concept with 114 franchised and corporate-owned restaurants as of July 3, 2023, offering burgers, hot dogs, crispy chicken, hand-cut fries, frozen custard shakes, beer, wine and more.

**Anthony’s.** Anthony’s is a pizza and wing brand that operated 60 corporate-owned casual restaurant locations, as of July 3, 2023. The concept is centered around a coal-fired oven, and its menu offers “well-done” pizza, coal-fired chicken wings, homemade meatballs, and a variety of handcrafted sandwiches and salads.

**Corporate-owned stores and Franchised stores**

Store activity for the six months ended July 3, 2023 and the year ended January 2, 2023 is as follows:

	July 3, 2023			January 2, 2023		
	Corporate-owned	Franchised	Total	Corporate-owned	Franchised	Total
<b>Total BurgerFi and Anthony's</b>	<b>87</b>	<b>87</b>	<b>174</b>	<b>85</b>	<b>89</b>	<b>174</b>
BurgerFi stores, beginning of the period	25	89	114	25	93	118
BurgerFi stores opened	—	5	5	3	8	11
BurgerFi stores acquired / (transferred)	2	(2)	—	(3)	3	—
BurgerFi stores closed	—	(5)	(5)	—	(15)	(15)
<b>BurgerFi total stores, end of the period</b>	<b>27</b>	<b>87</b>	<b>114</b>	<b>25</b>	<b>89</b>	<b>114</b>
Anthony's stores, beginning of period	60	—	60	61	—	61
Anthony's stores opened	—	—	—	—	—	—
Anthony's stores closed	—	—	—	(1)	—	(1)
<b>Anthony's total stores, end of the period</b>	<b>60</b>	<b>—</b>	<b>60</b>	<b>60</b>	<b>—</b>	<b>60</b>

Store totals included two international stores at July 3, 2023 and one international store at January 2, 2023. Subsequent to July 3, 2023, the Company closed one Burgerfi and one Anthony’s store.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

These consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business. However, as discussed below and elsewhere through the Quarterly Report on Form 10-Q, substantial doubt about the Company’s ability to continue as a going concern exists. Please see Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, as well as Risk Factors in the Company’s Annual Report on Form 10-K for the year ended January 2, 2023 (the “2022 Form 10-K”), for further information.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

The Company's credit agreement ("*Credit Agreement*") with a syndicate of banks has approximately \$2.8 million in financing outstanding as of July 3, 2023, and expires on September 30, 2025. The Credit Agreement contains numerous covenants, including those whereby the Company is required to meet certain trailing twelve-month quarterly financial ratios and a minimum liquidity requirement. The Company was in compliance with all of the covenants under the Credit Agreement as of July 3, 2023.

As discussed in Note 8 "*Commitments and Contingencies*" to the consolidated financial statements included within this report, in the case of *Second 82<sup>nd</sup> SM, LLC v. BF NY 82, LLC et al.*, the Court entered an order granting the Landlord's Motion for Summary Judgment and ordered a damages hearing on the motion. As a result, unless the parties otherwise agree to a settlement prior to the damages hearing, the Company expects a judgment to be entered against it of at least approximately \$1.2 million. The parties, however, continue to discuss possible settlement prior to the damages hearing, including re-opening the BurgerFi restaurant, as well as the payment, including timing, of past due rent amounts to the Landlord. In addition, the Company is considering other alternatives, including the need to refinance or restructure its debt, sell assets, or seek to raise additional capital, including debt or equity. If the Company is unable to implement one or more of these options or is otherwise unsuccessful in negotiating a settlement, which the Company believes is unlikely, and the court entered a final judgment against the Company, management believes it is possible that the Company will not be in compliance with certain of the financial covenants in its Credit Agreement, which would constitute a breach of the Credit Agreement and an event of default if not cured in accordance with its terms.

Any such default would allow the lenders to call the debt sooner than its maturity date of September 30, 2025. In the event that the lenders do call the debt during the next 12 months as the result of a covenant breach, the Company is not forecasted to have the readily available funds to repay the debt, which raises substantial doubt about the Company's ability to continue as a going concern within one year after the date the consolidated financial statements are issued.

The Company has been and continues to be in communication with the Landlord to negotiate a settlement prior to the damages hearing and is also considering other capital raising options to address any potential judgment, as well as any issues related to meeting the covenant requirements over the next 12 months. Management cannot, however, predict the results of any such negotiations or actions.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that results from the uncertainty described above.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States ("*U.S. GAAP*") for interim financial information and with the instructions for Form 10-Q and Rule 8-03 of Regulation S-X. Pursuant to these rules and regulations, certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The accompanying condensed consolidated balance sheet as of January 3, 2023 is derived from the Company's audited financial statements as of that date. Because certain information and footnote disclosures have been condensed or omitted, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto as of and for the year ended January 2, 2023 contained in the 2022 Form 10-K.

We are required to evaluate events occurring after July 3, 2023 for recognition and disclosure in the unaudited consolidated financial statements for the quarter and six month periods ended July 3, 2023. Events are evaluated based on whether they represent information existing as of July 3, 2023, which require recognition, or new events occurring after July 3, 2023 which do not require recognition but require disclosure if the event is significant. We evaluated events occurring subsequent to July 3, 2023 through the date of issuance of these unaudited consolidated financial statements.

On July 28, 2022, our Board of Directors approved the change to a 52-53-week fiscal year ending on the Monday nearest to December 31 of each year in order to improve the alignment of financial and business processes following the acquisition of Anthony's. Our second fiscal quarter of 2023 ended on July 3, 2023. Our current fiscal year will end on January 1, 2024. As of June 30, 2022, the BurgerFi brand operated on a calendar year-end and the Anthony's brand operated on a 52-53-week fiscal year. Differences arising from the different fiscal period-ends were not deemed material for the quarter ended June 30, 2022.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

***Principles of Consolidation***

The consolidated financial statements present the consolidated financial position, results from operations and cash flows of BurgerFi International, Inc., and its wholly owned subsidiaries. All material balances and transactions between the entities have been eliminated in consolidation.

***Reclassifications***

Certain reclassifications have been made to the prior year presentation to conform to the current year presentation.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the unaudited consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***New Accounting Pronouncements***

The Company reviewed all recently issued accounting pronouncements and concluded that they were not applicable or not expected to have a significant impact on the accompanying consolidated financial statements.

***Employer Retention Tax Credits***

As of July 3, 2023 and January 2, 2023, the Company had \$0.1 million and \$1.5 million, respectively, of receivables related to the Taxpayer Certainty and Disaster Relief Act of 2020 included in prepaid expenses and other current assets in the accompanying consolidated balance sheets.

***Prepaid expenses***

The Company routinely issues prepayments to landlords, insurers and vendors in the ordinary course of business. As of July 3, 2023 and January 2, 2023, the Company had \$1.3 million and \$0.9 million, respectively of prepayments included in prepaid expenses and other current assets in the accompanying consolidated balance sheets.

***Assets Held for Sale***

The Company has classified assets held for sale in the accompanying consolidated balance sheets \$1.5 million as of July 3, 2023 and \$0.7 million as of January 2, 2023 of certain store property and equipment, and intangible assets that the Company expects to be sold within one year. Assets held for sale are reviewed each reporting period to ensure that the fair value less cost to sell exceeds the carrying value.

In February 2020, the Company entered into an asset purchase agreement with an unrelated third party for the sale of substantially all of the assets used in connection with the operation of BF Dania Beach, LLC. The closing of this transaction has been delayed due to additional negotiation that has been on-going. In the event the transaction is terminated, the Company will begin operating this BurgerFi restaurant, and return the deposit of \$0.9 million included in other current assets to the unrelated third-party purchaser. Assets used in the operations of BF Dania Beach, LLC totaling \$0.7 million have been classified as held for sale in the accompanying consolidated balance sheets as of July 3, 2023 and January 2, 2023. In March 2023, the Company approved a plan for sale of an intangible asset of an Anthony's location with a carrying value of \$0.8 million, which is classified as held for sale in the accompanying consolidated balance sheets as of July 3, 2023.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**Other Current Liabilities**

The Company incurs liabilities associated with the sale of gift cards and gift certificates. As of July 3, 2023 and January 2, 2023, the Company had \$0.0 million and \$1.8 million, respectively of gift card and gift certificate liabilities included in other current liabilities on the accompanying consolidated balance sheets.

The Company incurs liabilities resulting from its customer loyalty program. As of July 3, 2023 and January 2, 2023, the Company had \$0.9 million and \$0.8 million, respectively of liabilities for loyalty program in the accompanying consolidated balance sheets.

**Restructuring Costs**

Restructuring costs include management and employee separation, severance, and relocation costs, as well as store closure related charges. All costs are expensed as incurred, and are reflected as "Restructuring costs and other charges, net" in the accompanying consolidated statements of operations. Restructuring costs and other charges, net for the quarter and six months ended July 3, 2023 was \$1.1 million and \$2.2 million, respectively. For the quarter and six months ended July 3, 2023, \$1.1 million, respectively, related to severance for the departure of Chief Executive Officer and Chief Financial Officer. During the six months ended July 3, 2023, \$1.1 million was recorded primarily in connection with the Company's Credit Facility requirements to raise additional capital or debt. Restructuring costs and other charges, net for the quarter and six months ended June 30, 2022 of \$0.1 million and \$1.0 million, respectively, related to store pre-opening costs and store closure costs.

**3. Property & Equipment**

Property and equipment consisted of the following:

<i>(in thousands)</i>	July 3, 2023	January 2, 2023
Leasehold improvements	\$ 17,623	\$ 17,029
Kitchen equipment and other equipment	8,450	8,196
Computers and office equipment	1,549	1,468
Furniture and fixtures	2,870	2,677
Vehicles	6	37
	<u>30,498</u>	<u>29,407</u>
Less: Accumulated depreciation and amortization	(12,251)	(10,036)
<b>Property and equipment – net</b>	<u><u>\$ 18,247</u></u>	<u><u>\$ 19,371</u></u>

Depreciation and amortization expense on property and equipment totaled \$1.2 million and \$2.3 million for the quarter and six months ended July 3, 2023. Depreciation and amortization expense on property and equipment totaled \$2.6 million and \$4.9 million for the quarter and six months ended June 30, 2022. Depreciation and amortization expense decreased due to assets fully depreciating and impairments taken during 2022.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**4. Goodwill and Intangible Assets, Net**

The following is a summary of the components of goodwill and intangible assets, net:

<i>(in thousands)</i>	July 3, 2023			January 2, 2023		
	Amount	Accumulated Amortization	Net Carrying Value	Amount	Accumulated Amortization	Net Carrying Value
<b>Intangible assets subject to amortization:</b>						
Franchise agreements	\$ 24,839	\$ (9,019)	\$ 15,820	\$ 24,839	\$ (7,245)	\$ 17,594
BurgerFi trade names / trademarks	83,033	(7,035)	75,998	83,035	(5,650)	77,385
Anthony's trade names / trademarks	60,690	(3,372)	57,318	60,691	(2,360)	58,331
License agreement	1,177	(1,131)	46	1,176	(1,063)	113
VegeFi product	135	(34)	101	135	(28)	107
Subtotal	<u>\$ 169,874</u>	<u>\$ (20,591)</u>	<u>\$ 149,283</u>	<u>\$ 169,876</u>	<u>\$ (16,346)</u>	<u>\$ 153,530</u>
Liquor licenses	<u>\$ 5,930</u>	<u>\$ —</u>	<u>\$ 5,930</u>	<u>\$ 6,678</u>	<u>\$ —</u>	<u>\$ 6,678</u>
Total intangible assets, net			<u>\$ 155,213</u>			<u>\$ 160,208</u>
<b>Goodwill:</b>						
BurgerFi	\$ —		\$ —	\$ —		\$ —
Anthony's	31,621		31,621	31,621		31,621
Total	<u>\$ 31,621</u>		<u>\$ 31,621</u>	<u>\$ 31,621</u>		<u>\$ 31,621</u>

Intangible asset amortization expense totaled \$2.1 million for the quarters ended July 3, 2023 and June 30, 2022 and \$4.2 million for the six months ended July 3, 2023 and June 30, 2022.

**5. Contract Liabilities**

A roll forward of contract liabilities included of which the current portion is included in other current liabilities and other noncurrent liabilities on our consolidated balance sheet is as follows:

<i>(in thousands)</i>	Six Months Ended	
	July 3, 2023	June 30, 2022
Balance, beginning of period	\$ 1,092	\$2,577
Initial/Transfer franchise fees received	203	291
Revenue recognized for stores open and transfers during period	(100)	(253)
Revenue recognized related to franchise agreement terminations	(374)	(433)
Other unearned revenue (recognized) received	(39)	—
Balance, end of period	<u>\$ 782</u>	<u>\$2,182</u>

**Franchise Revenue**

Revenue recognized during the periods included in royalty and other fees on our consolidated statement of operations shown was as follows:

<i>(in thousands)</i>	Quarter Ended		Six Months Ended	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
Franchise Fees	\$ 380	\$ 534	\$ 513	\$ 686

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**6 Net Loss Per Share**

Net Loss per common share is computed by dividing Net Loss by the weighted average number of common shares outstanding for the period. The Company has considered the effect of (1) warrants outstanding to purchase 15,063,800 shares of common stock and (2) 75,000 shares of common stock and warrants to purchase 75,000 shares of common stock in the unit purchase option, (3) 1,724,639 shares of restricted stock units outstanding in the calculation of income per share, and (4) the impact of any dividends associated with our redeemable preferred stock. As the effect of these on the computation of net loss per common share would have been anti-dilutive, they were excluded from the weighted average number of common shares outstanding.

Basic and diluted net loss per common share is calculated as follows:

*(in thousands, except for per share data)*

	Quarter Ended		Six Months Ended	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
<i>Numerator:</i>				
Net loss available to common stockholders - diluted	\$ (6,001)	\$ (60,377)	\$ (15,153)	\$ (73,937)
<i>Denominator:</i>				
Diluted weighted-average shares outstanding	24,891,449	22,214,628	24,216,199	22,089,799
Basic and diluted net loss per common share	\$ (0.24)	\$ (2.72)	\$ (0.63)	\$ (3.35)

For the quarter and and six months ended July 3, 2023 and June 30, 2022, there were no dilutive warrants.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**7. Related Party Transactions**

The Company is affiliated with various entities through common control and ownership.

On January 23, 2023, the Company settled a claim filed by a significant stockholder. The settlement resulted in the transfer of five BurgerFi entities from the stockholder to the Company of which two were operating stores and three were entities that historically had operated stores but have since closed. The fair value of consideration paid in the settlement was \$0.9 million and included \$0.5 million in cash and the issuance of 200,000 shares in common stock valued at \$0.4 million. The fair value of net liabilities assumed in the transaction was \$0.1 million which included lease liabilities and operating assets and liabilities including property and equipment of two operating stores, net of pre-existing liabilities accrued.

The accompanying consolidated balance sheets as of January 2, 2023 reflect amounts related to periodic advances between the Company and these entities for working capital and other needs as due from related companies or due to related companies, as appropriate. There were no amounts due from related companies as of July 3, 2023 as a result of the settlement with the significant stockholder. There was approximately \$0.3 million due from related parties included in other assets in the accompanying consolidated balance sheets as of January 2, 2023.

During 2022, the Company received royalty revenue from the two operating stores that were transferred on January 23, 2023 as a result of the settlement with the significant stockholder of \$0.1 million for the quarter and six months ended June 30, 2022.

The Company leased building space for its former corporate office from an entity under common ownership with a significant stockholder. This lease had a 6-month term, effective January 1, 2020. In January 2022, the Company exercised its right to terminate this lease effective as of July 2022. For the quarter and six months ended June 30, 2022, rent expense related to this lease was approximately \$0.1 million.

Pursuant to a lease amendment entered into in February 2022, the Company leases building space for its corporate office from an entity controlled by the Company's Executive Chairman of the Board. This lease has a 10-year term with an option to renew. For the quarter and six months ended July 3, 2023, and June 30, 2022, rent expense was approximately \$0.1 million and \$0.2 million, respectively.

The Company has an independent contractor agreement with a corporation (the "Consultant") for which the Chief Operating Officer (the "Consultant Principal") of Lionheart Capital, LLC, an entity controlled by the Company's Executive Chairman of the Board, serves as President. Pursuant to the terms of the agreements, the Consultant shall provide certain strategic advisory services to the Company in exchange for total annual cash compensation and expense reimbursements of \$0.1 million, payable monthly.

On January 3, 2023, the Company awarded the Consultant Principal an \$0.1 million bonus in connection with the Company's amendment and extension of its Credit Facility and granted the Consultant Principal 38,000 unrestricted shares of common stock of the Company. The Company recorded share-based compensation associated with this grant of approximately \$0.1 million for the six months ended July 3, 2023. There was no expense included for the quarter ended July 3, 2023.

On January 3, 2022, the Company granted the Consultant Principal 37,959, respectively, of unrestricted shares of common stock of the Company. The Company recorded share-based compensation associated with this grant of approximately \$0.1 million and \$0.2 million, respectively, during the quarter and six months ended June 30, 2022 and \$0.2 million for the six months ended July 3, 2023. There was no expense included for the quarter ended July 3, 2023.

On June 3, 2023, the Company entered into a stock purchase agreement with an investing entity for the sale of 2,868,853 shares of Company common stock at an issuance price of \$1.22 per share for a total of \$3.4 million. Upon the execution of this agreement, the investing entity became a holder of approximately 11% of the Company's outstanding common stock at July 3, 2023.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

## 8. Commitments and Contingencies

### *Litigation*

*John Walker, Individually and On Behalf of all Other Similarly Situated v. BurgerFi International, Inc. et al* (in the United States District Court, Southern District of Florida, Case No. 023-cv-60657). On April 6, 2023, John Walker, on behalf of himself and other similarly situated plaintiffs, filed a class action lawsuit against the Company and certain current and former executives alleging that the Company violated certain securities laws by making false and misleading statements or failed to disclose that (1) the Company had overstated the effectiveness of its acquisition and growth strategies, and (2) the Company had misrepresented the purported benefits of the Anthony's acquisition and the post-acquisition business and financial prospects of the Company. On July 20, 2023, the court appointed John Walker and Joseph Poalino as co-lead plaintiffs in the matter. We believe that all claims are meritless and plan to vigorously defend these allegations. Management is unable to determine the likelihood of a loss or range of loss, if any, which may result from the case described above, and, therefore, no contingent liability has been recorded as of January 2, 2023 or July 3, 2023; any losses, however, may be material to the Company's financial position and results of operations.

*Second 82nd SM, LLC v. BF NY 82, LLC, BurgerFi International, LLC and BurgerFi International, Inc.* In the Supreme Court of the State of New York County of New York, having index No. 654907/2021 filed August 11, 2021). A lawsuit was filed by Second 82<sup>nd</sup> SM, LLC ("*Landlord*") against BF NY 82, LLC ("*Tenant*") whereby Landlord brought a seven-count lawsuit for, among other things, breach of the lease agreement and underlying guaranty of the lease. The amount of damages Landlord is seeking approximately \$1.5 million, which constitutes back rent, late charges, real estate taxes, illuminated sign charges and water/sewer charges. On November 3, 2021, the Company filed a Motion to Dismiss the Complaint. On November 17, 2021, the Tenant filed an Answer to Landlord's Complaint and a cross claim against the Company, which the Company answered on December 7, 2021. On December 22, 2021, the Company filed its Response in Opposition to Landlord's Motion for Summary Judgment and Memo in further Support of its Motion to Dismiss. The Company turned over possession of the property in early 2023. On July 5, 2023, the Landlord filed a Motion of Summary Judgment seeking approximately \$1.2 million in past due rent payments. On August 14, 2023, the Court entered an order granting the Landlord's Motion for Summary Judgment and ordered a damages hearing on the motion, which has not yet been scheduled. As a result, unless the parties otherwise agree to a settlement prior to the damages hearing, the Company expects a judgment to be entered against it of at least approximately \$1.2 million. The parties continue to discuss possible settlement, including re-occupying the location, as well as the payment, including timing, of past due rent amounts to the Landlord. In the event of any such final judgment following the damages hearing, which the Company believes would be unlikely because it intends to enter into a settlement prior to the damages hearing or, if not, plans to raise additional capital prior to any judgment, it is possible the Company would not be in compliance with its Credit Agreement covenants, which could result in an event of default and an acceleration of all outstanding debt under the Credit Agreement. See Risk Factors included in our 2022 Form 10-K for a discussion of the potential material consequences to such an event.

*Lion Point Capital, L.P. ("Lion Point") v. BurgerFi International, Inc. (Supreme Court of the State of New York County of New York, Index No. 653099/2022, filed August 26, 2022.* A lawsuit filed by Lion Point against the Company, alleging that the Company failed to timely register Lion Point's shares in violation of the registration rights agreement to which Lion Point is a party, which allegedly resulted in losses in excess of \$26 million. In November 2022, as amended in February 2023, the Company filed its answer to the complaint. On April 13, 2023, Lion Point filed a Motion for Summary Judgment, and the Company responded with its reply on June 22, 2023. The Company continues to believe that all claims are meritless and plans to vigorously defend these allegations. Management is unable to determine the likelihood of a loss or range of loss, if any, which may result from the case described above, and, therefore, no contingent liability has been recorded as of January 2, 2023 or July 3, 2023; any losses, however, may be material to the Company's financial position and results of operations.

*Burger Guys of Dania Pointe, et. al. v. BFI, LLC* (Circuit Court of the 15<sup>th</sup> Judicial Circuit in and for Palm Beach County, Florida, Case No. 50-2021-CA -006501-XXXX-MB filed May 21, 2021). In response to a demand letter issued by BurgerFi to Gino Gargiulo, a former franchisee, demanding that Mr. Gargiulo pay the balance owed under an asset purchase agreement wherein BurgerFi sold the Dania Beach, Florida BurgerFi location to Mr. Gargiulo, Mr. Gargiulo filed suit against BurgerFi claiming, in addition to other matters, that no further monies are owed under the asset purchase agreement and alleges that the Company is responsible for one of Mr. Gargiulo's failed franchises in Sunny Isles, Florida, losses he has allegedly sustained at his Dania Beach location, and reimbursement of expenses in connection with his marketing company. Mr. Gargiulo seeks damages in excess of \$2 million in the aggregate. The parties attended mediation



**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

on January 20, 2022, which ended in an impasse. Mr. Gargiulo amended his complaint in April 2022, which, among other matters, amended the defendant parties. In October 2022, the Company filed an additional motion to dismiss the amended complaint and a motion to stay discovery. In January 2023, Mr. Gargiulo filed a third amended complaint. In March 2023, the Company filed an answer to Mr. Gargiulo's complaint and a counterclaim against Mr. Gargiulo relating to the breach of the asset purchase agreement discussed above. The matter is scheduled for trial in the second half of 2023. We believe that all Mr. Gargiulo claims are meritless, and the Company plans to vigorously defend these allegations. Management is unable to determine the likelihood of a loss or range of loss, if any, which may result from the case described above, and, therefore, no contingent liability has been recorded as of January 2, 2023 or July 3, 2023; any losses, however, may be material to the Company's financial position and results of operations.

*All Round Food Bakery Products, Inc. v. BurgerFi International, LLC and Neri's Bakery Products, Inc. et al (Supreme Court Westchester County, New York (Index Number 52170-2020)).* In a suit filed in February 2020, the plaintiff, All Round Food Bakery Products, Inc. ("*All Round Food*") alleges breach of contract and lost profits in excess of \$1 million over the course of the supply agreement with the Company and Neri's Bakery Products, Inc. ("*Neri's*" and together with the Company, the "*Defendants*"). The Defendants assert, among other matters, that the supply agreement amongst the parties, whereby All Round Food was warehousing BurgerFi products produced by Neri's, was terminated when All Round Food failed to cure its material breach of the supply agreement after due notice. The parties attended several additional court ordered mediations during over the last several months to attempt to resolve the dispute, however, no resolution has been reached. We believe that all claims are meritless, and the Company plans to vigorously defend these allegations. Management is unable to determine the likelihood of a loss or range of loss, if any, which may result from the case described above, and, therefore, no contingent liability has been recorded as of January 2, 2023 or July 3, 2023; any losses, however, may be material to the Company's financial position and results of operations.

*Employment Related Claims.*

In July 2021, the Company received a demand letter from the attorney of one of its now former hourly restaurant employees. The letter alleges that the former employee was sexually harassed by one of her co-workers. The demand letter claims that the Company discriminated and retaliated against the former employee based on her gender and age and also alleged intentional infliction of emotional distress, negligent hiring, negligent training, and negligent supervision. While the Company entered into a partial settlement with the former employee in December 2022 for a *de minimus* cash amount relating solely to the discrimination claim, the other claims remain.

While the Company believes that all claims of the above mentioned Employment Related Claims, which are covered under the Company's insurance policies, are meritless, and it plans to defend these allegations, it is reasonably possible that the Company may ultimately be required to pay damages to the claimants, which could be up to \$0.5 million or more in aggregate compensatory damages, attorneys' fees and costs. Management believes that any liability, in excess of applicable insurance coverages or accruals, which may result from these claims, would not be significant to the Company's financial position or results of operations.

*General Liability and Other Claims.*

The Company is subject to other legal proceedings and claims that arise during the normal course of business, including landlord disputes, slip and fall cases, and various food related matters. While it intends to vigorously defend these matters, it is reasonably possible that the Company may be required to pay substantial damages to the claimants. Management believes that any liability, in excess of applicable insurance coverages or accruals, which may result from these claims, would not be significant to the Company's financial position or results of operations.

*Purchase Commitments*

From time to time, we enter into purchase commitments for certain food commodities in the normal course of business. As of July 3, 2023, we entered into approximately \$3.2 million in unconditional purchase obligations over the next twelve months.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**9. Leases**

The Company has entered into various lease agreements and these agreements expire on various dates through 2032 and have renewal options.

The components of lease expense for the periods shown is as follows:

<i>(in thousands)</i>	Classification	Quarter Ended		Six Months Ended	
		July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
Operating lease cost	Occupancy and related expenses Pre-opening costs Store closure costs	\$ 3,218	\$ 3,097	\$ 6,463	\$ 6,348
Finance lease cost:					
Amortization of right-of-use assets	Depreciation and amortization expense	55	82	113	134
Interest on lease liabilities	Interest expense	13	19	27	31
Less: Sublease income	Occupancy and related expenses	(47)	(47)	(94)	(94)
<b>Total lease cost</b>		<b>\$ 3,239</b>	<b>\$ 3,151</b>	<b>\$ 6,509</b>	<b>\$ 6,419</b>

The maturity of the Company's operating and finance lease liabilities as of July 3, 2023 is as follows:

<i>(in thousands)</i>	Operating Leases	Finance Leases
One Year	\$ 12,274	\$ 142
Two Years	12,154	182
Three Years	11,687	167
Four Years	9,804	158
Five Years	8,173	152
Thereafter	10,217	208
<b>Total undiscounted lease payments</b>	<b>64,309</b>	<b>1,009</b>
Less: present value adjustment	(11,146)	(158)
<b>Total net lease liabilities</b>	<b>\$ 53,163</b>	<b>\$ 851</b>

As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The Company gives consideration to its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates.

A summary of lease terms and discount rates for finance and operating leases is as follows:

	July 3, 2023	June 30, 2022
<b>Weighted-average remaining lease term (in years)</b>		
Operating leases	5.8	6.4
Finance leases	5.9	6.6
<b>Weighted-average discount rate</b>		
Operating leases	7.1 %	6.0 %
Finance leases	6.0 %	6.0 %

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**10. Debt**

<i>(in thousands)</i>	July 3, 2023	January 2, 2023
Term loan	\$ 52,880	\$ 54,507
Related party note payable	15,100	10,000
Revolving line of credit	—	4,000
Other notes payable	744	780
Finance lease liability	851	933
<b>Total Debt</b>	<b>\$ 69,575</b>	<b>\$ 70,220</b>
Less: Unamortized debt discount to related party note	(688)	(765)
Less: Unamortized debt issuance costs	(1,204)	(1,441)
<b>Total Debt, net</b>	<b>67,683</b>	<b>68,014</b>
Less: Short-term borrowings, including finance leases	(3,485)	(4,985)
<b>Total Long-term borrowings, including finance leases and related party note payable</b>	<b>\$ 64,198</b>	<b>\$ 63,029</b>

The Company is party to a credit agreement with a syndicate of commercial banks (as amended, the “*Credit Agreement*”), which provides the Company with lender financing structured as a \$52.9 million term loan and a \$4.0 million available under the line of credit as of July 3, 2023, with a maturity date of September 30, 2025.

On February 1, 2023, the Credit Agreement was amended through the Fourteenth Amendment and subsequently on February 24, 2023 further amended through the Fifteenth Amendment resulting in the Company and its subsidiaries entering into a Secured Promissory Note (the “*Note*”) with CP7 Warming Bag L.P., an affiliate of L. Catterton Fund L.P., as lender (the “*Junior Lender*”), pursuant to which the Junior Lender continued that certain delayed draw term loan (the “*Delayed Draw Term Loan*”) of \$10.0 million, under the Credit Agreement, which is junior subordinated secured indebtedness, and also provided \$5.1 million of new junior subordinated secured indebtedness, to the Company (collectively (the “*Junior Indebtedness*”), for a total of \$15.1 million in junior subordinated secured debt on terms reasonably acceptable to the Required Lenders (as defined in the Credit Agreement), including, without limitation, that (1) such indebtedness shall not mature until at least two (2) years after the maturity date of the credit facility of September 30, 2025; (2) no payments of cash interest shall be made on such indebtedness until after the repayment in full of the obligations under the Credit Agreement; and (3) no scheduled or voluntary payments of principal shall be made until after the repayment in full of the obligations under the Credit Agreement.

The terms of the Credit Agreement require the Company to repay the principal of the term loan in quarterly installments with the balance due at the maturity date, as follows:

<i>in thousands</i>		
<b>2023</b>	\$	3,254
<b>2024</b>		3,254
<b>2025</b>		46,372
<b>Total</b>	<b>\$</b>	<b>52,880</b>

The Credit Agreement, including the term loan and revolving line of credit, is secured by substantially all of the Company’s assets and incur interest on outstanding amounts at the following rates per annum through maturity:

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

Time Period	Interest Rate
Through December 31, 2022	6.75%
From January 1, 2023 through June 15 2023	6.75%
From June 16, 2023 through December 31, 2023	6.75%
From January 1, 2024 through June 15, 2024	7.25%
From June 16, 2024 through maturity	7.75%

The Delayed Draw Term Loan is a non-interest bearing loan and accordingly was recorded at fair value as part of the Anthony's acquisition which resulted in a debt discount of approximately \$3.3 million and is being amortized over the period of the Delayed Draw Term Loan. For the quarter and six months periods ended July 3, 2023, the Company recorded \$0.1 million of amortization of the debt discount, which is included within interest expense in the accompanying consolidated statements of operations.

The Junior Indebtedness, which accrues interest at 4% per annum (i) is secured by a second lien on substantially all of the assets of the the Company and the subsidiary guarantors (the "Guarantors") pursuant to the terms and that certain Guaranty and Security Agreement, dated February 24, 2023, by and among the Guarantors and the junior lender, (ii) is subject to the terms of that certain Intercreditor and Subordination Agreement dated February 24, 2023, by and between the Administrative Agent and the junior lender and acknowledged by the borrowers and the guarantors, and (iii) matures on the date that is the second anniversary of the maturity date under the Credit Agreement (the "Junior Maturity Date") (September 30, 2027, based on the maturity date under the Credit Agreement of September 30, 2025).

Under the terms of the Junior Indebtedness, no payments of cash interest or payments of principal shall be due until the Junior Maturity Date, and no voluntary prepayments may be made on the Junior Indebtedness prior to the Junior Maturity Date until after the repayment in full of the obligations under the Credit Agreement.

The Company had \$14.4 million and \$9.2 million recorded, net of unamortized discount under the Junior Indebtedness as of July 3, 2023 and January 2, 2023, respectively, included in related party note payable in the accompanying consolidated balance sheets.

The amendments to the Credit Agreement and the Delayed Draw Term Loan were accounted for as modifications of debt in the Company's accompanying consolidated financial statements.

For the quarter and six months ended July 3, 2023 and June 30, 2022, interest expense consisted of:

<i>(in thousands)</i>	Quarter Ended		Six Months Ended	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
Interest on credit agreement	\$ 1,079	\$ 1,024	\$ 2,130	\$ 1,830
Amortization of debt issuance costs	38	110	77	292
Amortization of related party note discount	130	128	237	255
Non-cash interest on redeemable preferred stock	1,042	963	2,064	1,908
Other interest expense (income)	(78)	20	(218)	33
	\$ 2,211	\$ 2,246	\$ 4,289	\$ 4,318

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**11. Income Taxes**

For the quarter and six months ended July 3, 2023, the Company's effective income tax rate was 0.0%. The difference from the U.S. corporate statutory federal income tax rate of 21%, is primarily the result of the valuation allowance applied to reduce the Company's deferred tax assets to the amount that is more likely than not to be realized. For the quarter and six months ended June 30, 2022, the Company's effective income tax rate was 0.6%, differing from the U.S. corporate statutory federal income tax rate of 21%, and the difference is primarily the result of the valuation allowance applied to reduce the Company's deferred tax assets to the amount that is more likely than not to be realized. As of July 3, 2023, the Company had unrecognized tax benefits of \$0.2 million.

**12. Stockholders' Equity**

***Common Stock***

The Company is authorized to issue 100,000,000 shares of common stock with a par value of \$0.0001 per share. Holders of the Company's common stock are entitled to one vote for each share. At July 3, 2023 and January 2, 2023, there were 26,724,218 shares and 22,257,772 shares of common stock outstanding, respectively.

***Preferred Stock***

The Company is authorized to issue 10,000,000 shares of preferred stock with a par value of \$0.0001 per share with such designation, rights and preferences as may be determined from time to time by the Company's Board of Directors. As of July 3, 2023 and January 2, 2023, there were 2,120,000 shares of preferred stock outstanding.

On February 24, 2023, the Company filed an amended and restated certificate of designation, (the "*A&R CoD*"), which among other matters, added a provision providing that in the event the Company fails to timely redeem any shares of Series A Preferred Stock on November 3, 2027, the applicable dividend rate shall automatically increase to the lesser of (A) the sum of 10% plus the 2% applicable default rate (with such aggregate rate increasing by an additional 0.35% per quarter from and after November 3, 2027), or (B) the maximum rate that may be applied under applicable law, unless waived in writing by a majority of the outstanding shares of Series A Junior Preferred Stock.

The A&R CoD also added a provision providing that in the event the Company fails to timely redeem any shares of Series A Junior Preferred Stock in connection with a Qualified Financing (as defined in the A&R CoD) on November 3, 2027 (a "*Default*"), the Company agrees to promptly commence a debt or equity financing transaction or sale process to solicit proposals for the sale of the Company and its subsidiaries (or, alternatively, the sale of material assets) designed to yield the maximum cash proceeds to the Company available for redemption of the Series A Junior Preferred Stock as promptly as practicable, but in any event, within 12 months from the date of the Default. If on or after November 3, 2026, the Company is aware that it is reasonably unlikely to have sufficient cash to timely effect the redemption in full of the Series A Junior Preferred Stock when first due, the Company shall, prior to such anticipated due date, take reasonable steps to engage an investment banking firm of national standing (and other appropriate professionals) to conduct preparatory work for such a financing transaction and sale process of the Company and its subsidiaries to provide for such transaction to occur as promptly as possible after any failure for a timely redemption of the Series A Junior Preferred Stock.

The Series A Junior Preferred Stock ranks senior to the Common Stock and may be redeemed at the option of the Company at any time and must be redeemed by the Company in limited circumstances. The Series A Junior Preferred Stock shall not have voting rights or conversion rights.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**Warrants and Options**

As of July 3, 2023, the Company had the following warrants and options outstanding: 15,063,800 warrants outstanding, each exercisable for one share of common stock at an exercise price of \$1.50 including 11,468,800 in public warrants, 3,000,000 in private placement warrants ("private warrants"), 445,000 in Private Warrants and 150,000 in Working Capital Warrants, 75,000 Unit Purchase Option ("UPO") units that are exercisable for one share of common stock at an exercise price of \$10.00 and warrants exercisable for one share of common stock at an exercise price of \$1.50. The public warrants expire in December 2025.

**Warrant Liability**

The Company has private warrants, which include provisions that affect the settlement amount. Such variables are outside of those used to determine the fair value of a fixed-for-fixed instrument, and as such, the warrants are accounted for as liabilities in accordance with ASC 815-40, *Derivatives and Hedging*, with changes in fair value included in the accompanying consolidated statements of operations.

The warrant liability was \$0.6 million and \$0.2 million at July 3, 2023 and January 2, 2023, respectively, and is included in other non-current liabilities on the accompanying consolidated balance sheets. The loss on change in fair value of warrant liabilities for the quarter and six months ended July 3, 2023 was \$0.3 million and \$0.4 million, respectively, and is recognized in the accompanying consolidated statements of operations. The gain on change in the fair value of warrant liabilities for the quarter and six months ended June 30, 2022 was \$1.9 million and \$1.3 million, respectively, and is recognized in the accompanying consolidated statements of operations.

The following is an analysis of changes in the warrant liability:

<i>(in thousands)</i>	
Warrant liability at January 2, 2023	\$ 195
Loss during the period	391
Warrant liability at July 3, 2023	<u>\$ 586</u>

The fair value of the warrants are determined using the publicly-traded price of our common stock on the valuation dates of \$1.63 on July 3, 2023 and \$1.26 on January 2, 2023. See Note 13, "Fair Value Measurements."

**Share-Based Compensation**

The Company has the ability to grant stock options, stock appreciation rights, restricted stock, restricted stock units, other share-based awards and performance compensation awards to current or prospective employees, directors, officers, consultants or advisors under the Company's 2020 Omnibus Equity Incentive Plan (the "Plan").

On January 5, 2023, the Company filed a Registration Statement with the SEC to register 1,112,889 additional shares of common stock, \$0.0001 par value per share, of the Company under the Plan, pursuant to the "evergreen" provision of the Plan providing for an automatic increase in the number of shares reserved for issuance under the Plan.

As of July 3, 2023 and January 2, 2023, there were approximately 150,000 and 600,000 shares of common stock available for future grants under the Plan, respectively.

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

**Restricted Stock Unit Awards**

The following table summarizes activity of restricted stock units during the six months ended July 3, 2023:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Non-vested at January 2, 2023	1,445,600	\$ 11.68
Granted	744,960	1.23
Vested	(328,968)	13.84
Forfeited	(161,698)	6.37
Non-vested at July 3, 2023	<b>1,699,894</b>	<b>\$ 7.15</b>

Share-based compensation expense recognized during the quarter and six months ended July 3, 2023 was \$0.6 million and \$5.2 million, respectively. Share-based compensation expense recognized during the quarter and six months ended June 30, 2022 was approximately \$0.9 million and \$8.3 million, respectively. As of July 3, 2023, there was approximately \$8.3 million of total unrecognized compensation cost related to unvested restricted stock units or performance-based restricted stock unit awards to be recognized over a weighted average period of 1.4 years.

**13. Fair Value Measurements**

Fair values of financial instruments are estimated using public market prices, quotes from financial institutions, and other available information. The fair values of cash equivalents, receivables, net, accounts payable and short-term debt approximate their carrying amounts due to their short duration.

The following tables summarize the fair values of financial instruments measured at fair value on a recurring basis as of July 3, 2023 and January 2, 2023.

	Items Measured at Fair Value at July 3, 2023		
	Quoted prices in active market for identical assets (liabilities) (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i> Warrant liability	—	586	—
Total	<b>\$ —</b>	<b>\$ 586</b>	<b>\$ —</b>

	Items Measured at Fair Value at January 2, 2023		
	Quoted prices in active market for identical assets (liabilities) (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i> Warrant liability	—	195	—
Total	<b>\$ —</b>	<b>\$ 195</b>	<b>\$ —</b>



**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

In estimating our fair value disclosures for financial instruments, we use the following methods and assumptions:

The fair value of the Company warrant liability is measured at fair value on a recurring basis, classified as Level 2 in the fair value hierarchy. The fair value of the private placement warrants, private warrants, and working capital warrants are determined using the publicly-traded price of its common stock on the valuation dates of \$1.63 on July 3, 2023 and \$1.26 on January 2, 2023. The fair value is calculated using the Black-Scholes option-pricing model. The Black-Scholes model requires us to make assumptions and judgments about the variables used in the calculation, including the expected term, expected volatility, risk-free interest rate, dividend rate and service period. The calculated warrant price for private warrants was \$0.16 and \$0.05 on July 3, 2023 and January 2, 2023.

The input variables for the Black-Scholes are noted in the table below:

	July 3, 2023	January 2, 2023
Risk-free interest rate	4.66 %	4.14 %
Expected life in years	2.5	3.0
Expected volatility	83.0 %	68.0 %
Expected dividend yield	— %	— %

Assets and liabilities that are measured at fair value on a non-recurring basis include our long-lived assets and definite-lived intangible assets which are adjusted to fair value upon impairment. In determining fair value, we used an income-based approach. As a number of assumptions and estimates were involved that are largely unobservable, they are classified as Level 3 inputs within the fair value hierarchy. Assumptions used in these forecasts are consistent with internal planning, and include revenue growth rates, royalties, gross margins, and operating expense in relation to the current economic environment and the Company's future expectations.

#### 14. Segment Information

The Company has two operating and reportable segments: BurgerFi and Anthony's.

The Company's measure of segment income is Adjusted EBITDA. We define Adjusted EBITDA as net loss before goodwill impairment, lease termination recovery, share-based compensation expense, depreciation and amortization expense, interest expense (which includes accretion on the value of preferred stock and interest accretion on related party note), restructuring costs, merger, acquisition and integration costs, legal settlements, store closure costs, loss (gain) on change in value of warrant liability, income tax expense (benefit) and (gain) loss on sale of assets. Although the Company had historically considered net income to be an appropriate measure of segment profit and loss, management believes Adjusted EBITDA is a more meaningful measure of the Company's performance.

Adjusted EBITDA is used by the Company to evaluate its performance, both internally and as compared with its peers, because this measure excludes certain items that may not be indicative of the Company's operating performance, as well as items that can vary widely across different industries or among companies within the same industry. The Company believes that this adjusted measure provides a baseline for analyzing trends in its underlying business.

The following table presents segment revenue and a reconciliation of adjusted EBITDA to net loss by segment:

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

<i>(in thousands)</i>	Quarter Ended					
	Consolidated		BurgerFi		Anthony's	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
<b>Revenue by Segment</b>	<b>\$ 43,427</b>	<b>\$ 45,298</b>	<b>\$ 11,567</b>	<b>\$ 13,458</b>	<b>\$ 31,860</b>	<b>\$ 31,840</b>
<b>Adjusted EBITDA Reconciliation by Segment:</b>						
<b>Net loss</b>	<b>\$ (6,001)</b>	<b>\$ (60,377)</b>	<b>\$ (5,159)</b>	<b>\$ (21,726)</b>	<b>\$ (842)</b>	<b>\$ (38,651)</b>
Goodwill impairment	—	55,168	—	17,505	—	37,663
Lease termination recovery	(42)	—	(42)	—	—	—
Share-based compensation expense	556	909	529	909	27	—
Depreciation and amortization expense	3,295	4,730	2,147	2,616	1,148	2,114
Interest expense	2,211	2,246	1,004	992	1,207	1,254
Restructuring costs	1,127	—	413	—	714	—
Merger, acquisition and integration costs	299	1,893	234	1,846	65	47
Legal settlements	228	187	225	187	3	—
Store closure costs	50	52	9	52	41	—
Loss (gain) on change in value of warrant liability	318	(1,858)	318	(1,858)	—	—
Income tax expense (benefit)	2	(335)	—	(341)	2	6
(Gain) loss on sale of assets	(10)	—	(6)	—	(4)	—
<b>Adjusted EBITDA</b>	<b>\$ 2,033</b>	<b>\$ 2,615</b>	<b>\$ (328)</b>	<b>\$ 182</b>	<b>\$ 2,361</b>	<b>\$ 2,433</b>

**BurgerFi International Inc., and Subsidiaries**  
**Notes to Consolidated Financial Statements (Unaudited)**

<i>(in thousands)</i>	Six Months Ended					
	Consolidated		BurgerFi		Anthony's	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
<b>Revenue by Segment</b>	<b>\$ 89,154</b>	<b>\$ 90,228</b>	<b>\$ 24,148</b>	<b>\$ 25,853</b>	<b>\$ 65,005</b>	<b>\$ 64,375</b>
<b>Adjusted EBITDA Reconciliation by Segment:</b>						
<b>Net loss</b>	<b>\$ (15,153)</b>	<b>\$ (73,937)</b>	<b>(14,757)</b>	<b>\$ (34,686)</b>	<b>\$ (396)</b>	<b>\$ (39,251)</b>
Goodwill impairment	—	55,168	—	17,505	—	37,663
Lease termination recovery	(42)	—	(42)	—	—	—
Employee retention credits	—	—	—	—	—	—
Share-based compensation expense	5,230	8,285	5,203	8,285	27	—
Depreciation and amortization expense	6,522	9,174	4,237	5,123	2,285	4,051
Interest expense	4,289	4,318	1,922	1,957	2,367	2,361
Restructuring costs	2,044	—	1,078	—	966	—
Merger, acquisition and integration costs	627	2,304	562	2,191	65	113
Legal settlements	510	312	507	312	3	—
Store closure costs	171	566	74	586	97	(20)
Loss (gain) on change in value of warrant liability	391	(1,324)	391	(1,324)	—	—
Pre-opening costs	—	474	—	474	—	—
Income tax expense (benefit)	2	(447)	—	(451)	2	4
(Gain) loss on sale of assets	(10)	—	(6)	—	(4)	—
<b>Adjusted EBITDA</b>	<b>\$ 4,581</b>	<b>\$ 4,893</b>	<b>\$ (831)</b>	<b>\$ (28)</b>	<b>\$ 5,412</b>	<b>\$ 4,921</b>

#### 15. Subsequent Events

On July 7, 2023 the Credit Agreement was amended through the Sixteenth Amendment, which amended the definition of EBITDA for the purposes of expanding the scope of non-recurring items that may be included in our determination of Adjusted EBITDA, as well as modifications to certain covenants for leverage and fixed charge ratios.

As discussed in Note 8 "Commitments and Contingencies" to the consolidated financial statements included within this report for subsequent event regarding the case of *Second 82<sup>nd</sup> SM, LLC v. BF NY 82, LLC et al.*, on August 14, 2023 the Court entered an order granting the Landlord's Motion for Summary Judgment and ordered a damages hearing on the motion.

Subsequent to July 3, 2023, the Company closed one Burgerfi and one Anthony's store.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion and analysis should be read in conjunction with our unaudited consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q, as well as the audited consolidated financial statements and the related notes thereto in our Annual Report on Form 10-K for the fiscal year ended January 2, 2023 (the "2022 Form 10-K"). Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause such differences are discussed in the sections of this Quarterly Report on Form 10-Q titled "Forward-Looking and Cautionary Statements" and "Item 1A. Risk Factors," and in Part I. "Item 1A. Risk Factors" in the 2022 Form 10-K.*

### Overview

The Company is a leading multi-brand restaurant company that develops, markets and acquires fast-casual and premium-casual dining restaurant concepts around the world, including corporate-owned stores and franchises. As of July 3, 2023, we were the owner and franchisor of the two following brands:

**BurgerFi.** BurgerFi is a fast-casual "better burger" concept, renowned for delivering an exceptional, all-natural premium "better burger" experience in a refined, contemporary environment. BurgerFi's chef-driven menu offerings and eco-friendly restaurant design drive our brand communication. It offers a classic American menu of premium burgers, hot dogs, crispy chicken, hand-cut fries, frozen custard shakes, beer, wine and more. Originally founded in 2011 in Lauderdale-by-the-Sea, Florida, the purpose was simple – "RedeFining" the way the world eats burgers by providing an upscale burger offering, at a fast-casual price point. BurgerFi is committed to an uncompromising and rewarding dining experience that promises fresh food of transparent quality. Since its inception, BurgerFi has grown to 114 BurgerFi locations, and as of July 3, 2023, was comprised of 27 corporate-owned restaurants and 86 franchised restaurants in two countries including 21 states within the United States, as well as Puerto Rico.

BurgerFi was named "The Very Best Burger" at the 2023 edition of the nationally acclaimed SOBE Wine and Food Festival and "Best Fast Food Burger" in USA Today's 10Best 2023 Readers' Choice Awards for its BBQ Rodeo Burger, "Best Fast Casual Restaurant" in USA Today's 10Best 2023 Readers' Choice Awards for the third consecutive year, QSR Magazine's Breakout Brand of 2020 and Fast Casual's 2021 #1 Brand of the Year. In 2021, Consumer Reports awarded BurgerFi an "A-Grade Angus Beef" rating for the third consecutive year.

**Anthony's.** Anthony's is a premium pizza and wing brand operating 60 corporate-owned casual restaurant locations, as of July 3, 2023. Anthony's prides itself on serving fresh, never frozen, high-quality ingredients. The concept is centered around a 900-degree coal-fired oven, and its menu offers "well-done" pizza, coal-fired chicken wings, homemade meatballs, and a variety of handcrafted sandwiches and salads. The restaurants also feature a deep wine and craft beer selection to round out the menu. The pizzas are prepared using a unique coal-fired oven to quickly seal in natural flavors while creating a lightly charred crust. Anthony's provides a differentiated offering among its casual dining peers driven by its coal-fired oven, which enables the use of fresh, high-quality ingredients with quicker ticket times.

Since its inception in 2002, the Anthony's brand has grown to 60 corporate-owned locations, as of July 3, 2023, primarily along the East coast and has restaurants in eight states, including Florida (28), Pennsylvania (11), New Jersey (8), New York (5), Massachusetts (4), Delaware (2), Maryland (1), and Rhode Island (1).

Anthony's was named "The Best Pizza Chain in America" by USA Today's Great American Bites and "Top 3 Best Major Pizza Chain" by Mashed in 2021.

### Segments

We have two operating and reportable segments: (1) BurgerFi, and (2) Anthony's. Our business generates revenue from the following sources: (i) restaurant sales, (ii) royalty and other fees, consisting primarily of royalties based on a percentage of sales reported by franchised restaurants and paid by franchisees, and (iii) franchise fees, consisting primarily of licensing fees paid by franchisees.

**Key Metrics**

The following key metrics are important indicators of the overall direction of our business, including trends in sales and the effectiveness of our marketing, operating, and growth initiatives:

<i>(in thousands except for percentage data)</i>	<b>Consolidated</b>			
	<b>Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>July 3, 2023</b>	<b>June 30, 2022</b>	<b>July 3, 2023</b>	<b>June 30, 2022</b>
Systemwide Restaurant Sales	\$ 70,683	\$ 74,292	\$ 144,128	\$ 147,387
Systemwide Restaurant Sales Growth	(5)%	(2)%	(2)%	2 %
Systemwide Restaurant Same-Store Sales Growth	(5)%	(3)%	(3)%	— %
Corporate-Owned Restaurant Sales	\$ 40,808	\$ 42,058	\$ 84,118	\$ 84,035
Corporate-Owned Restaurant Sales Growth	(3)%	5 %	— %	9 %
Corporate-Owned Restaurant Same-Store Sales Growth	(3)%	— %	(1)%	4 %
Franchise Restaurant Sales	\$ 29,875	\$ 32,233	\$ 60,010	\$ 63,352
Franchise Restaurant Sales Growth	(7)%	(9)%	(5)%	(6)%
Franchise Restaurant Same-Store Sales Growth	(8)%	(7)%	(5)%	(5)%
Digital Channel % of Systemwide Sales	31 %	35 %	32 %	36 %

<i>(in thousands, except for percentage data)</i>	<b>Quarter Ended</b>			
	<b>July 3, 2023</b>		<b>June 30, 2022</b>	
	<b>BurgerFi</b>	<b>Anthony's</b>	<b>BurgerFi</b>	<b>Anthony's2</b>
Systemwide Restaurant Sales	\$ 38,823	\$ 31,860	\$ 42,452	\$ 31,840
Systemwide Restaurant Sales Growth	(9)%	— %	(4)%	2 %
Systemwide Restaurant Same-Store Sales Growth	(10)%	1 %	(9)%	3 %
Corporate-Owned Restaurant Sales	\$ 8,948	\$ 31,860	\$ 10,219	\$ 31,840
Corporate-Owned Restaurant Sales Growth	(12)%	— %	17 %	2 %
Corporate-Owned Restaurant Same-Store Sales Growth	(15)%	1 %	(14)%	3 %
Franchise Restaurant Sales	\$ 29,875	\$ —	\$ 32,233	N/A
Franchise Restaurant Sales Growth	(7)%	— %	(9)%	N/A
Franchise Restaurant Same-Store Sales Growth	(8)%	— %	(7)%	N/A
Digital Channel % of Systemwide Sales	31 %	32 %	34 %	36 %

<i>(in thousands, except for percentage data)</i>	<b>Six Months Ended</b>			
	<b>July 3, 2023</b>		<b>June 30, 2022</b>	
	<b>BurgerFi</b>	<b>Anthony's</b>	<b>BurgerFi</b>	<b>Anthony's2</b>
Systemwide Restaurant Sales	\$ 79,123	\$ 65,005	\$ 83,012	\$ 64,375
Systemwide Restaurant Sales Growth	(5)%	1 %	(1)%	7 %
Systemwide Restaurant Same-Store Sales Growth	(6)%	2 %	(6)%	8 %
Corporate-Owned Restaurant Sales	\$ 19,113	\$ 65,005	\$ 19,660	\$ 64,375
Corporate-Owned Restaurant Sales Growth	(3)%	1 %	17 %	7 %
Corporate-Owned Restaurant Same-Store Sales Growth	(11)%	2 %	(11)%	8 %
Franchise Restaurant Sales	\$ 60,010	\$ —	\$ 63,338	N/A
Franchise Restaurant Sales Growth	(5)%	— %	(6)%	N/A
Franchise Restaurant Same-Store Sales Growth	(5)%	— %	(8)%	N/A
Digital Channel % of Systemwide Sales	31 %	33 %	35 %	37 %

*Systemwide Restaurant Sales*

“Systemwide Restaurant Sales” are not revenues to the Company, however, the Company records royalty revenue based as a percentage of Systemwide Restaurant Sales. Systemwide Restaurant Sales is presented as informational data in order to understand the aggregation of franchised stores sales, ghost kitchen, and corporate-owned store sales performance. Systemwide Restaurant Sales growth refers to the percentage change in sales at all franchised restaurants, ghost kitchens, and corporate-owned restaurants in one period from the same period in the prior year. Systemwide Restaurant Same-Store Sales growth refers to the percentage change in sales at all franchised restaurants, ghost kitchens, and corporate-owned restaurants once the restaurant has been in operation after 14 months. See definition below under *Digital Channel* discussion for Same-Store Sales.

*Corporate-Owned Restaurant Sales*

“Corporate-Owned Restaurant Sales” represent the sales generated only by corporate-owned restaurants. Corporate-Owned Restaurant Sales growth refers to the percentage change in sales at all corporate-owned restaurants in one period from the same period in the prior year. Corporate-Owned Restaurant Same-Store Sales growth refers to the percentage change in sales at all corporate-owned restaurants once the restaurant has been in operation after 14 months. These measures highlight the performance of existing corporate-owned restaurants.

*Franchise Restaurant Sales*

“Franchise Restaurant Sales” represent the sales generated only by franchisee-owned restaurants and are not recorded as revenue, however, the royalties based on a percentage of these franchise restaurant sales are recorded as revenue. Franchise Restaurant Sales growth refers to the percentage change in sales at all franchised restaurants in one period from the same period in the prior year. Franchise Restaurant Same-Store Sales growth refers to the percentage change in sales at all franchised restaurants once the restaurant has been in operation after 14 months. These measures highlight the performance of existing franchised restaurants.

*Same-Store Sales*

We use the measure of “Same-Store Sales” to evaluate the performance of our store base, which excludes the impact of new stores and closed stores in both periods under comparison. We include a restaurant in the calculation of Same-Store Sales once it has been in operation for 14 months. A restaurant that is temporarily closed is included in the Same-Store Sales computation. A restaurant that is closed permanently, such as upon termination of the lease or other permanent closure, is immediately removed from the Same-Store Sales computation. Our calculation of Same-Store Sales may not be comparable to others in the industry.

*Digital Channel % of Systemwide Sales*

We use the measure of “Digital Channel % of Systemwide Sales” to evaluate the performance of our investments made in our digital platform and partnerships with third party delivery partners. We believe our digital platform capabilities are a vital element to continuing to serve our customers and will continue to be a differentiator for the Company as compared to some of our competitors. Digital Channel as % of Systemwide Sales are indicative of the sales placed through our digital platforms and the percentage of those digital sales when compared to total sales at all our franchised and corporate-owned restaurants.

Unless otherwise stated, “Systemwide Restaurant Sales,” “Systemwide Sales Growth,” and “Same-Store Sales” are presented on a systemwide basis, which means they include franchise restaurants and corporate-owned restaurants. Franchise restaurant sales represent sales at all franchise restaurants and are revenues to our franchisees. We do not record franchise sales as revenues; however, our royalty revenues and brand royalty revenues are calculated based on a percentage of franchise sales.

By providing these key metrics, we believe we are enhancing investors’ understanding of our business as well as assisting investors in evaluating how well we are executing our strategic initiatives.

## Results of Operations

The tables below present our results of operations as reported in our consolidated financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

	Quarter Ended		Six Months Ended	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
<i>(in thousands, except for per share data)</i>				
<b>Revenue</b>				
Restaurant sales	\$ 40,808	\$ 42,236	\$ 84,124	\$ 84,592
Royalty and other fees	2,190	2,611	4,160	4,714
Royalty - brand development and co-op	429	451	870	922
<b>Total Revenue</b>	<b>43,427</b>	<b>45,298</b>	<b>89,154</b>	<b>90,228</b>
Restaurant level operating expenses:				
Food, beverage and paper costs	10,772	12,545	22,382	25,352
Labor and related expenses	12,699	12,328	25,916	24,910
Other operating expenses	7,760	7,421	15,216	14,613
Occupancy and related expenses	3,930	3,890	7,763	7,725
General and administrative expenses	5,812	7,406	12,388	13,432
Depreciation and amortization expense	3,295	4,730	6,522	9,174
Share-based compensation expense	556	909	5,230	8,285
Brand development, co-op and advertising expenses	933	1,126	2,029	1,839
Goodwill and intangible asset impairment	—	55,168	—	55,168
Restructuring costs and other charges, net	1,135	52	2,174	1,040
<b>Total Operating Expenses</b>	<b>46,892</b>	<b>105,575</b>	<b>99,620</b>	<b>161,538</b>
<b>Operating Loss</b>	<b>(3,465)</b>	<b>(60,277)</b>	<b>(10,466)</b>	<b>(71,310)</b>
Interest expense, net	(2,211)	(2,246)	(4,289)	(4,318)
Gain on change in value of warrant liability	(318)	1,858	(391)	1,324
Other loss	(5)	(47)	(5)	(80)
<b>Loss before income taxes</b>	<b>(5,999)</b>	<b>(60,712)</b>	<b>(15,151)</b>	<b>(74,384)</b>
Income tax expense	(2)	335	(2)	447
<b>Net loss</b>	<b>\$ (6,001)</b>	<b>\$ (60,377)</b>	<b>\$ (15,153)</b>	<b>\$ (73,937)</b>

### Revenue

The following table presents our revenue by segment:

	Quarter Ended		Six Months Ended	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
<i>(in thousands)</i>				
<b>BurgerFi</b>	\$ 11,567	\$ 13,458	\$ 24,149	\$ 25,853
<b>Anthony's</b>	31,860	31,840	65,005	64,375
<b>Total Consolidated</b>	<b>\$ 43,427</b>	<b>\$ 45,298</b>	<b>\$ 89,154</b>	<b>\$ 90,228</b>

**Comparison of the quarter ended July 3, 2023 and June 30, 2022**

*Restaurant Sales*

For the quarter ended July 3, 2023, the Company's restaurant sales decreased by approximately \$1.4 million or 3% as compared to the quarter ended June 30, 2022. This decrease was primarily driven by a decrease in same-store sales at BurgerFi partially offset by the additional revenue from new restaurants acquired during 2023 and an increase in same-store sales at Anthony's.

*Restaurant Level Operating Expenses*

Restaurant level operating expenses are as follows:

	Quarter Ended			
	July 3, 2023		June 30, 2022	
	In dollars	As a % of restaurant sales	In dollars	As a % of restaurant sales
<i>(in thousands, except for percentage data)</i>				
<b>Consolidated:</b>				
<b>Restaurant Sales</b>	\$ 40,808	100 %	\$ 42,236	100 %
<b>Restaurant level operating expenses:</b>				
Food, beverage and paper costs	10,772	26.4 %	12,545	29.7 %
Labor and related expenses	12,699	31.1 %	12,328	29.2 %
Other operating expenses	7,760	19.0 %	7,421	17.6 %
Occupancy and related expenses	3,930	9.6 %	3,890	9.2 %
<b>Total</b>	<b>\$ 35,161</b>	<b>86.2 %</b>	<b>\$ 36,184</b>	<b>85.7 %</b>
<b>Anthony's:</b>				
<b>Restaurant Sales</b>	\$ 31,860	100 %	\$ 31,840	100 %
<b>Restaurant level operating expenses:</b>				
Food, beverage and paper costs	8,076	25.3 %	9,133	28.7 %
Labor and related expenses	9,848	30.9 %	9,426	29.6 %
Other operating expenses	5,759	18.1 %	5,313	16.7 %
Occupancy and related expenses	3,003	9.4 %	2,988	9.4 %
<b>Total</b>	<b>\$ 26,686</b>	<b>83.8 %</b>	<b>\$ 26,860</b>	<b>84.4 %</b>
<b>BurgerFi:</b>				
<b>Restaurant Sales</b>	\$ 8,948	100 %	\$ 10,396	100 %
<b>Restaurant level operating expenses:</b>				
Food, beverage and paper costs	2,696	30.1 %	3,412	32.8 %
Labor and related expenses	2,851	31.9 %	2,902	27.9 %
Other operating expenses	2,001	22.4 %	2,108	20.3 %
Occupancy and related expenses	927	10.4 %	902	8.7 %
<b>Total</b>	<b>\$ 8,475</b>	<b>94.7 %</b>	<b>\$ 9,324</b>	<b>89.7 %</b>

Total consolidated restaurant level operating expenses as a percentage of restaurant sales was 86.2% for the quarter ended July 3, 2023 as compared to 85.7% for the quarter ended June 30, 2022, a 50 basis points increase. For the Anthony's brand, restaurant-level operating expenses, as a percentage of sales, improved 60 basis points for the quarter ended July 3, 2023, compared to the quarter ended June 30, 2022, driven primarily by lower food, beverage, and paper costs coupled with a slight increase in same-store sales. For the BurgerFi brand, restaurant-level operating expenses, as a percentage of sales, increased 500 basis points for the quarter ended July 3, 2023, compared to the quarter ended June 30, 2022, primarily due to lower leverage on sales.



## [Table of Contents](#)

### *Food, Beverage and Paper Costs*

Food, beverage, and paper costs for the quarter ended July 3, 2023 decreased approximately \$1.8 million, or 14.1% as compared to the quarter ended June 30, 2022. As a percentage of corporate-owned restaurant sales, food, beverage, and paper costs were 26.4% for the quarter ended July 3, 2023 as compared to 29.7% for the quarter ended June 30, 2022. This decrease was primarily attributable to lower food, beverage, and paper costs for both brands. The Anthony's brand, contributed approximately \$1.1 million, or 61% of the decrease was primarily attributable to lower food costs as a result of lower chicken wing prices than the comparable prior year quarter.

### *Labor and Related Expenses*

Labor and related expenses for the quarter ended July 3, 2023 decreased by approximately \$0.4 million, or 3.0% as compared to the quarter ended June 30, 2022. As a percentage of corporate-owned restaurant sales, labor, and related expenses were 31.1% for the quarter ended July 3, 2023 as compared to 29.2% for the quarter ended June 30, 2022. This 190 basis points increase is primarily due to higher per hour labor rates, higher training costs, and lower efficiencies due to turnover at both brands.

### *Other Operating Expenses*

Other operating expenses for the quarter ended July 3, 2023 increased by approximately \$0.3 million, or 4.6% as compared to the quarter ended June 30, 2022. As a percentage of corporate-owned restaurant sales, other operating expenses were 19.0% for the quarter ended July 3, 2023 as compared to 17.6% for the quarter ended June 30, 2022. This 140 basis points increase primarily relates to increased repairs and maintenance, technology and other restaurant expenses compared to the prior year quarter, which includes inflationary increases.

### *Occupancy and Related Expenses*

Occupancy and related expenses for the quarter ended July 3, 2023 increased by approximately \$0.04 million, or 1.0%, as compared to the quarter ended June 30, 2022. As a percentage of corporate-owned restaurant sales, occupancy and related expenses were 9.6% for the quarter ended July 3, 2023 as compared to 9.2% for the quarter ended June 30, 2022. This increase in percentage of corporate-owned restaurant sales was due to lower sales leverage, operation of more Burgerfi corporate-owned restaurants during the quarter and increased pass-thru operating expense adjustments from landlords.

### *General and Administrative Expenses*

General and administrative expenses quarter ended July 3, 2023 decreased by approximately \$1.6 million, or 22% as compared to the quarter ended June 30, 2022. The change was due to lower merger integration activities, wages, and professional fees incurred during the quarter ended July 3, 2023 as compared to the quarter ended June 30, 2022. During the current quarter, we reduced headcount in our restaurant support center driven by efficiencies gained by merger and integration activities.

### *Depreciation and Amortization Expense*

Depreciation and amortization expense was \$3.3 million for the quarter ended July 3, 2023, as compared to \$4.7 million for the quarter ended June 30, 2022. This decrease was primarily related to lower asset values due to fully depreciated assets and as a results of impairments recorded during the prior year.

### *Share-Based Compensation Expense*

Share-based compensation expense was \$0.6 million for the quarter ended July 3, 2023, as compared to \$0.9 million for the quarter ended June 30, 2022, primarily due to lower amortization of restricted stock unit grants during the quarter ended July 3, 2023 as compared to the prior year quarter.

*Brand Development, Co-op and Advertising Expense*

Brand development, co-op and advertising expense was \$0.9 million for the quarter ended July 3, 2023, as compared to \$1.1 million for the quarter ended June 30, 2022. This decrease primarily relates to the timing of advertising activities in 2023 when compared to the same quarter in the prior year.

*Restructuring costs and other charges, net*

Restructuring costs and other charges, net for the quarter ended July 3, 2023 of \$1.1 million primarily related to severance for the departure of the former Chief Executive Officer and Chief Financial Officer during the quarter offset by \$0.2 million of credits related to store closure and lease termination recovery. Restructuring costs and other charges, net for the quarter ended June 30, 2022 of \$0.1 million, primarily related to store closure costs for unopened locations.

*Interest Expense*

Interest expense was approximately \$2.2 million for the quarter ended July 3, 2023 and June 30, 2022, respectively. Interest expense primarily resulted from interest associated with our Credit Agreement, interest accretion on the related party note, and the accretion in value of our outstanding preferred stock.

*Loss on Change in Value of Warrant Liability*

The Company recorded a non-cash loss of approximately \$0.3 million during the quarter ended July 3, 2023, as compared to a non-cash gain of approximately \$1.9 million during the quarter ended June 30, 2022, related to a change in the fair value of the warrant liability as a result of an increase in the market price of our outstanding warrants.

*Net Loss*

Net loss was \$6.0 million, as compared with a net loss of \$60.4 million for the quarter ended July 3, 2023 and June 30, 2022, respectively. The change was primarily due to goodwill impairment charges during the prior year quarter, lower general and administrative expenses, lower depreciation and amortization expense than the prior year period partially offset by loss on change in fair value of warrants and increase in restructuring costs and other charges, net.

*Adjusted EBITDA*

Adjusted EBITDA was approximately \$2.0 million and \$2.6 million for the quarter ended July 3, 2023 and June 30, 2022, respectively. The decrease in Adjusted EBITDA for the quarter ended July 3, 2023 is primarily the result of lower corporate-owned restaurant sales for the BurgerFi brand partially offset by lower restaurant level operating expenses and general and administrative expenses. Please see below for reconciliation of non-U.S. GAAP financial measure Adjusted EBITDA to the most directly comparable U.S. GAAP measure, net (loss) income on a consolidated basis and by segment.

**Comparison of the six months ended July 3, 2023 and June 30, 2022**

For the six months ended July 3, 2023, the Company's restaurant sales decreased by approximately \$0.5 million or 1% as compared to the six months ended June 30, 2022. This decrease was primarily driven by a decrease in same-store sales at BurgerFi partially offset by the additional revenue from new restaurants acquired during 2023 and an increase in same-store sales at Anthony's.

**Restaurant Level Operating Expenses**

Restaurant level operating expenses are as follows:

	Six Months Ended			
	July 3, 2023		June 30, 2022	
	In dollars	As a % of restaurant sales	In dollars	As a % of restaurant sales
<i>(in thousands, except for percentage data)</i>				
<b>Consolidated:</b>				
<b>Restaurant Sales</b>	<b>\$ 84,124</b>	<b>100 %</b>	<b>\$ 84,592</b>	<b>100 %</b>
<b>Restaurant level operating expenses:</b>				
Food, beverage and paper costs	22,382	26.6 %	25,352	30.0 %
Labor and related expenses	25,916	30.8 %	24,910	29.4 %
Other operating expenses	15,216	18.1 %	14,613	17.3 %
Occupancy and related expenses	7,763	9.2 %	7,725	9.1 %
Total	<b>\$ 71,277</b>	<b>84.7 %</b>	<b>\$ 72,600</b>	<b>85.8 %</b>
<b>Anthony's:</b>				
<b>Restaurant Sales</b>	<b>\$ 65,005</b>	<b>100 %</b>	<b>\$ 64,375</b>	<b>100 %</b>
<b>Restaurant level operating expenses:</b>				
Food, beverage and paper costs	16,738	25.7 %	18,910	29.4 %
Labor and related expenses	20,089	30.9 %	19,259	29.9 %
Other operating expenses	11,128	17.1 %	10,562	16.4 %
Occupancy and related expenses	5,957	9.2 %	5,860	9.1 %
Total	<b>\$ 53,912</b>	<b>82.9 %</b>	<b>\$ 54,591</b>	<b>84.8 %</b>
<b>BurgerFi:</b>				
<b>Restaurant Sales</b>	<b>\$ 19,119</b>	<b>100 %</b>	<b>\$ 20,217</b>	<b>100 %</b>
<b>Restaurant level operating expenses:</b>				
Food, beverage and paper costs	5,644	29.5 %	6,442	31.9 %
Labor and related expenses	5,827	30.5 %	5,651	28.0 %
Other operating expenses	4,088	21.4 %	4,051	20.0 %
Occupancy and related expenses	1,807	9.5 %	1,865	9.2 %
Total	<b>\$ 17,366</b>	<b>90.8 %</b>	<b>\$ 18,009</b>	<b>89.1 %</b>

Total consolidated restaurant level operating expenses as a percentage of restaurant sales was 84.7% for the six months ended July 3, 2023, as compared to 85.8% for the six months ended June 30, 2022 resulting in an improvement of 110 basis points in operating margin. For the Anthony's brand, restaurant-level operating expenses, as a percentage of sales was 82.9%, a decrease of 190 basis points for the six months ended July 3, 2023, as compared to 84.8% for the six months ended June 30, 2022, driven primarily by higher restaurant sales and lower food costs. For the BurgerFi brand, restaurant-level operating expenses, as a percentage of sales increased 170 basis points for the six months ended July 3, 2023 from 90.8%, as compared to 89.1% for the six months ended June 30, 2022, primarily due to lower food costs partially offset by lower leverage on sales.

*Food, Beverage and Paper Costs*

Food, beverage, and paper costs for the six months ended July 3, 2023 decreased approximately \$3.0 million, or 12%, as compared to the six months ended June 30, 2022. As a percentage of corporate-owned restaurant sales, food, beverage and paper costs were 26.6% for the six months ended July 3, 2023 as compared to 30.0% for the six months ended June 30, 2022. This decrease was primarily attributable to lower food costs for the Anthony's brand due primarily to lower chicken wing prices compared to the prior six months, which contributed approximately \$2.2 million, or 74% of the decrease.

*Labor and Related Expenses*

Labor and related expenses for the six months ended July 3, 2023 increased by approximately \$1.0 million, or 4.0%, as compared to the six months ended June 30, 2022. As a percentage of corporate-owned restaurant sales, labor and related expenses were 30.8% for the six months ended July 3, 2023, as compared to 29.4% for the six months ended June 30, 2022. This 140 basis points increase is primarily due to per hour labor rates, higher training costs, and lower efficiencies due to turnover at both brands, in addition to more BurgerFi corporate stores operating in the current year when compared to the prior year.

*Other Operating Expenses*

Other operating expenses for the six months ended July 3, 2023 increased by approximately \$0.6 million, or 4.1%, as compared to the six months ended June 30, 2022. As a percentage of corporate-owned restaurant sales, other operating expenses were 18.1% for the six months ended July 3, 2023 as compared to 17.3% for the six months ended June 30, 2022. This 80 basis points increase in the current year primarily relates to increased repairs and maintenance, technology, and other restaurant expenses compared to the prior year, including inflationary increases.

*Occupancy and Related Expenses*

Occupancy and related expenses for the six months ended July 3, 2023 increased by approximately \$0.04 million, or 0.5%. As a percentage of corporate-owned restaurant sales, occupancy and related expenses were 9.2% for the six months ended July 3, 2023, as compared to 9.1% for the six months ended June 30, 2022.

*General and Administrative Expenses*

General and administrative expense was \$12.4 million for the six months ended July 3, 2023 and decreased by approximately \$1.0 million, or 7%, as compared to the six months ended June 30, 2022. The decrease was due to lower merger integration activities, wages, and professional fees incurred during the six months ended July 3, 2023, as compared to the six months ended June 30, 2022. During the six months ended July 3, 2023, we reduced headcount in our restaurant support center driven by efficiencies gained by merger and integration activities.

*Depreciation and Amortization Expense*

Depreciation and amortization expense was \$6.5 million for the six months ended July 3, 2023, as compared to \$9.2 million for the six months ended June 30, 2022. This decrease was primarily related to lower asset values due to fully depreciated assets and as a result of impairments recorded during the prior year.

*Share-Based Compensation Expense*

Share-based compensation expense was \$5.2 million for the six months ended July 3, 2023, as compared to \$8.3 million for the six months ended June 30, 2022, primarily due to lower amortization of restricted stock unit grants during the six months ended July 3, 2023 as compared to six months ended June 30, 2022.

*Brand Development, Co-op and Advertising Expense*

Brand development, co-op, and advertising expense was \$2.0 million for the six months ended July 3, 2023, as compared to \$1.8 million for the six months ended June 30, 2022. This increase primarily relates to the timing of advertising activities in the early part of 2023 when compared to the six months ended June 30, 2022.

*Restructuring costs and other charges, net*

Restructuring costs and other charges, net for the six months ended July 3, 2023 of \$2.2 million, primarily related to expenses in connection with the Credit Agreement requirements to raise additional capital or debt of \$1.1 million and severance of \$1.1 million for departure of our former Chief Executive Officer and Chief Financial Officer during the current year. Restructuring costs and other charges, net for the six months ended June 30, 2022 of \$1.0 million, primarily related to store pre-opening costs and store closure costs. See Note 10, “*Debt*,” for further discussion of our credit facilities and indebtedness.

*Interest Expense*

Interest expense was approximately \$4.3 million for the six months ended July 3, 2023, as compared to \$4.3 for the six months ended June 30, 2022. Interest expense primarily resulted from interest associated with our senior credit facility, interest accretion on the related party note, and the accretion in value of our outstanding preferred stock.

*Loss on Change in Value of Warrant Liability*

The Company recorded a non-cash loss of approximately \$0.4 million during the six months ended July 3, 2023, as compared to a non-cash gain of approximately \$1.3 million during the six months ended June 30, 2022 related to a change in the fair value of the warrant liability as a result of an increase in the market price of our outstanding warrants.

*Net Loss*

Net loss for the six months ended was \$15.2 million, as compared with a net loss of \$73.9 million, for the six months ended July 3, 2023 and 2022, respectively. The change was primarily due to goodwill and intangible asset impairment charges in the prior year, lower food, beverage, and paper costs, reduced share-based compensation expense and lower depreciation and amortization expense, partially offset by higher restructuring costs and other charges, net and loss on change in value of warrant liability as compared to the prior year.

*Adjusted EBITDA*

Adjusted EBITDA was approximately \$4.6 million and \$4.9 million for the six months ended July 3, 2023 and June 30, 2022, respectively. The decrease in Adjusted EBITDA for the six months ended July 3, 2023 is primarily the result of lower systemwide revenues, higher restaurant level operating expenses as a percentage of sales and higher general and administrative expenses partially offset by lower food, beverage and paper costs as a percentage of sales. Please see below for reconciliation of non-U.S. GAAP financial measure Adjusted EBITDA to the most directly comparable U.S. GAAP measure, net (loss) income on a consolidated basis and by segment.

***Non-U.S. GAAP Financial Measures***

As appropriate, we supplement our reported U.S. GAAP financial information with certain non-U.S. GAAP financial measures, including adjusted earnings before interest, income taxes, depreciation and amortization (“*Adjusted EBITDA*”). We define Adjusted EBITDA as net loss before goodwill impairment, lease termination recovery, share-based compensation expense, depreciation and amortization expense, interest expense (which includes accretion on the value of preferred stock and interest accretion on related party note), restructuring costs, merger, acquisition and integration costs, legal settlements, store closure costs, loss (gain) on change in value of warrant liability, income tax expense (benefit) and (gain) loss on sale of assets.

We use Adjusted EBITDA to evaluate our performance, both internally and as compared with our peers, because this measure excludes certain items that may not be indicative of our core operating results, as well as items that can vary widely across different industries or among companies within the same industry. We believe that this adjusted measure provides a baseline for analyzing trends in our underlying business.

We believe that this non-U.S. GAAP financial measure provides meaningful information and helps investors understand our financial results and assess our prospects for future performance. Because non-U.S. GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies’ non-U.S. GAAP financial measures having the same or similar names. These financial measures should not be considered in

[Table of Contents](#)

isolation from, as substitutes for, or alternative measures of, reported net income or diluted earnings per share, and should be viewed in conjunction with the most comparable U.S. GAAP financial measures and the provided reconciliations thereto. We believe this non-U.S. GAAP financial measure, when viewed together with our U.S. GAAP results and the related reconciliations, provides a more complete understanding of our business. We strongly encourage investors to review our consolidated financial statements and publicly filed reports in their entirety and not rely on any single financial measure.

[Table of Contents](#)

Below is a reconciliation of Non-U.S. GAAP Adjusted EBITDA to the most directly comparable U.S. GAAP measure, net loss on a consolidated basis and by segment for the quarter and six months ended July 3, 2023 and June 30, 2022:

Quarter Ended (in thousands)	Consolidated		BurgerFi		Anthony's	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
	\$ (6,001)	\$ (60,377)	\$ (5,159)	\$ (21,726)	\$ (842)	\$ (38,651)
Net loss						
Goodwill impairment	—	55,168	—	17,505	—	37,663
Lease termination recovery	(42)	—	(42)	—	—	—
Share-based compensation expense	556	909	529	909	27	—
Depreciation and amortization expense	3,295	4,730	2,147	2,616	1,148	2,114
Interest expense	2,211	2,246	1,004	992	1,207	1,254
Restructuring costs	1,127	—	413	—	714	—
Merger, acquisition and integration costs	299	1,893	234	1,846	65	47
Legal settlements	228	187	225	187	3	—
Store closure costs	50	52	9	52	41	—
Loss (gain) on change in value of warrant liability	318	(1,858)	318	(1,858)	—	—
Income tax expense (benefit)	2	(335)	—	(341)	2	6
(Gain) loss on sale of assets	(10)	—	(6)	—	(4)	—
<b>Adjusted EBITDA</b>	<b>\$ 2,033</b>	<b>\$ 2,615</b>	<b>\$ (328)</b>	<b>\$ 182</b>	<b>\$ 2,361</b>	<b>\$ 2,433</b>

Six Months Ended (in thousands)	Consolidated		BurgerFi		Anthony's	
	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022	July 3, 2023	June 30, 2022
	\$ (15,153)	\$ (73,937)	\$ (14,757)	\$ (34,686)	\$ (396)	\$ (39,251)
Net (loss) income						
Goodwill impairment	—	55,168	—	17,505	—	37,663
Lease termination recovery	(42)	—	(42)	—	—	—
Share-based compensation expense	5,230	8,285	5,203	8,285	27	—
Depreciation and amortization expense	6,522	9,174	4,237	5,123	2,285	4,051
Interest expense	4,289	4,318	1,922	1,957	2,367	2,361
Restructuring costs	2,044	—	1,078	—	966	—
Merger, acquisition and integration costs	627	2,304	562	2,191	65	113
Legal settlements	510	312	507	312	3	—
Store closure costs	171	566	74	586	97	(20)
Loss (gain) on change in value of warrant liability	391	(1,324)	391	(1,324)	—	—
Pre-opening costs	—	474	—	474	—	—
Income tax benefit	2	(447)	—	(451)	2	4
Loss (gain) on sale of assets	(10)	—	(6)	—	(4)	—
<b>Adjusted EBITDA</b>	<b>\$ 4,581</b>	<b>\$ 4,893</b>	<b>\$ (831)</b>	<b>\$ (28)</b>	<b>\$ 5,412</b>	<b>\$ 4,921</b>

### Liquidity and Capital Resources

Our primary sources of liquidity are cash from operations, cash and cash equivalents on hand, and availability on our line of credit. As of July 3, 2023, we had liquidity of \$14.7 million, comprised of a cash balance of \$10.7 million and \$4.0 million of undrawn availability on our line of credit.

Our primary requirements for liquidity are to fund our working capital needs, operating and finance lease obligations, capital expenditures, and general corporate needs. Our requirements for working capital are generally not significant because our guests pay for their food and beverage purchases in cash or on debit or credit cards at the time of the sale, and we are able to sell many of our inventory items before payment is due to the supplier of such items. Our ongoing capital expenditures are principally related to light remodels and equipment replacement, as well as investments in our digital and corporate infrastructure. We estimate our capital expenditures will be approximately \$2.0 million for the year ending January 1, 2024.

As discussed in Note 8 “Commitments and Contingencies” to the consolidated financial statements included within this report, in the case of *Second 82<sup>nd</sup> SM, LLC v. BF NY 82, LLC et al.*, the Court entered an order granting the Landlord’s Motion for Summary Judgment and ordered a damages hearing on the motion. As a result, unless the parties otherwise agree to a settlement prior to the damages hearing, the Company expects a judgment to be entered against it of at least approximately \$1.2 million. The parties, however, continue to discuss possible settlement prior to the damages hearing, including re-opening the BurgerFi brand restaurant at this location, as well as the payment, including timing, of past due rent amounts to the Landlord. In addition, the Company is considering other alternatives, including the need to refinance or restructure its debt, sell assets, or seek to raise additional capital, including debt or equity. If the Company is unable to implement one or more of these options or is otherwise unsuccessful in negotiating a settlement, which the Company believes is unlikely, and the court entered a final judgment against the Company, management believes it is possible that the Company will not be in compliance with the certain of the financial covenants in its Credit Agreement, which would constitute a breach of the Credit Agreement and an event of default if not cured in accordance with its terms. See Note 8 “Commitments and Contingencies” to the consolidated financial statements included within this report, as well as Risk Factors included in our 2022 Form 10-K for a discussion of the potential material consequences to such an event.

We have implemented, and may continue to further implement price increases to mitigate the inflationary effects of food and labor costs, however, we cannot predict the long-term impact of these negative economic conditions on our restaurant profitability.

We currently believe we are able to pay our obligations as they become due for at least the next 12 months and for the foreseeable future, with our cash flow generated from operations and our cash on hand balance and availability under our line of credit.

The following table presents the summary cash flow information for the periods indicated:

<i>(in thousands)</i>	Six Months Ended	
	July 3, 2023	June 30, 2022
<b>Net cash (used in) provided by:</b>		
Operating activities	\$ (2,616)	\$ 3,888
Investing activities	(1,020)	(31)
Financing activities	2,430	(2,999)
<b>Net (decrease) increase in cash</b>	<b>\$ (1,206)</b>	<b>\$ 858</b>

### Cash Flows (Used in) Provided by Operating Activities

During the six months ended ended July 3, 2023, cash flows used in operating activities were approximately \$2.6 million. The cash flows used in operating activities resulted from a net loss of \$15.2 million, which was primarily related to depreciation and amortization expense of \$6.5 million, share-based compensation expense of \$5.2 million and non-cash interest expense of \$2.4 million. Additionally, changes in operating assets and liabilities resulted in a net liability decrease of approximately \$1.8 million, which was mainly due to a net decrease in accrued expenses and other current liabilities,



## [Table of Contents](#)

primarily as a result of legal settlements and professional services related to obtaining financing under the Credit Agreement.

### ***Cash Flows Used in Investing Activities***

During the six months ended July 3, 2023, cash flows used in investing activities were approximately \$1.0 million, which were primarily related to purchases of property and equipment for minor remodels and equipment replacements.

### ***Cash Flows Provided by Financing Activities***

During the six months ended July 3, 2023, cash flows provided by financing activities were approximately \$2.4 million, which were primarily related to principal payments on borrowings of approximately \$5.7 million, which included repayment of \$7.0 million on our line of credit and \$1.6 million repayment on our term loan, offset by proceeds from borrowings of \$5.1 million on our related party note and proceeds of \$3.4 million from the private placement of 2,868,853 shares of our common stock.

### ***Credit Agreement***

The Company is party to a credit agreement with a syndicate of commercial banks (as amended, the “*Credit Agreement*”), which provides the Company with lender financing structured as a \$53.7 million term loan and a \$4.0 million line of credit as of July 3, 2023, with a maturity date of September 30, 2025.

On February 1, 2023, the Credit Agreement was amended through the Fourteenth Amendment and subsequently on February 24, 2023 further amended through the Fifteenth Amendment resulting in the Company and its subsidiaries entering into a Secured Promissory Note (the “*Note*”) with CP7 Warming Bag L.P., an affiliate of L. Catterton Fund L.P., as lender (the “*Junior Lender*”), pursuant to which the Junior Lender continued that certain delayed draw term loan (the “*Delayed Draw Term Loan*”) of \$10.0 million, under the Credit Agreement, which is junior subordinated secured indebtedness, and also provided \$5.1 million of new junior subordinated secured indebtedness, to the Company (collectively the “*Junior Indebtedness*”), for a total of \$15.1 million in junior subordinated secured debt on terms reasonably acceptable to the Required Lenders (as defined in the Credit Agreement), including, without limitation, that (1) such indebtedness shall not mature until at least two (2) years after the maturity date of the credit facility of September 30, 2025; (2) no payments of cash interest shall be made on such indebtedness until after the repayment in full of the obligations under the Credit Agreement; and (3) no scheduled or voluntary payments of principal shall be made until after the repayment in full of the obligations under the Credit Agreement.

On July 7, 2023 the Credit Agreement was amended through the Sixteenth Amendment, which amended the definition of EBITDA for the purposes of expanding the scope of non-recurring items that may be included in our determination of Adjusted EBTIDA, as well as modifications to certain covenants for leverage and fixed charge ratios and requirements and timeline for when a management consultant must be engaged.

We had recorded \$14.4 million, net of unamortized discount of \$0.7 million under the Junior Indebtedness as of July 3, 2023 included in related party note payable in the accompanying consolidated balance sheets.

Information regarding our Credit Agreement can be found under Note 10, “*Debt*,” to the consolidated financial statements included within this report.

### ***Critical Accounting Policies and Use of Estimates***

For information regarding our Critical Accounting Policies and Estimates, see the “Critical Accounting Policies and Estimates” section of “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2022 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission. During the six months ended July 3, 2023, there were no material changes in our critical accounting estimates or policies.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable.

**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures.** As of the end of the period covered by this Form 10-Q, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act. We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported within time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of July 3, 2023.

**Changes in Internal Control Over Financial Reporting.** There have been no changes in the Company's internal control over financial reporting during the quarter ended July 3, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Part II. Other Information**

**Item 1. Legal Proceedings**

Information regarding our legal proceedings can be found under the Contingencies sections of Note 8, "*Commitments and Contingencies*," to the consolidated financial statements included within this report.

**Item 1A. Risk Factors**

Our business, financial condition, operating results, and cash flows may be impacted by a number of factors, many of which are beyond our control, including those set forth in the 2022 Form 10-K, the occurrence of any one of which could have a material adverse effect on our actual results.

There here have been no material changes to the risk factors disclosed in the 2022 Form 10-K.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None

**Item 5. Other Information**

None

**Item 6. Exhibits**

The Exhibit Index below contains a list of exhibits filed or furnished with this Form 10-Q.

**Exhibit Index**

[Table of Contents](#)

Exhibit No.	Description
10.1+	<a href="#">Amended and Restated Employment Agreement, effective as of May 8, 2023, by and between BurgerFi International, Inc. and John Iannucci (Incorporated by reference to Exhibit 10.10 to the registrant's Quarterly Report on Form 10-Q filed by the registrant on May 17, 2023)</a>
10.2	<a href="#">Consulting Agreement, dated May 8, 2023, by and between BurgerFi International, Inc. and Ian Baines (Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed by the registrant on May 8, 2023)</a>
10.3+	<a href="#">Employment Agreement, dated May 23, 2023, by and between BurgerFi International, Inc. and Carl Bachmann (Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed by the registrant on May 30, 2023)</a>
10.4*	<a href="#">Stock Purchase Agreement dated June 1, 2023 by and among CG2 Capital LLC and the Company BurgerFi International, Inc. (Incorporated by reference to a Prospective Supplement to Prospective Dated December 22, 2022 filed by the registrant on June 2, 2023)</a>
10.5+*	<a href="#">Amended and Restated Employment Agreement, effective June 6, 2023, by and between BurgerFi International, Inc. and Stefan K. Schnopp</a>
10.6+	<a href="#">Employment Agreement, effective as of July 10 dated June 8, 2023, by and between BurgerFi International, Inc. and Chris Jones (Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed by the registrant on June 13, 2023)</a>
10.7	<a href="#">Sixteenth Amendment to Credit Agreement, dated July 7, 2023, by and among BurgerFi International, Inc., BurgerFi International, Inc.'s subsidiaries, Plastic Tripod, Inc., the subsidiary guarantors party thereto, Regions Bank, as administrative agent for the lenders, collateral agent for the lenders, a lender, swingline lender and issuance bank, Cadence Bank, as a lender, Webster Bank, National Association, as a lender, Synovus Bank, as a lender, and the other lenders party from time to time thereto (Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed by the registrant on July 7, 2023)</a>
31.1*	<a href="#">Certifications required by Section 302(a) of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certifications required by Section 302(a) of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certifications required by Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certifications required by Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	The cover page from the Company's Quarterly Report on Form 10-Q for the period ended July 3, 2023 has been formatted in Inline XBRL.

\* Filed herewith.

\*\* Furnished.

+ Indicates a management contract or a compensatory plan or agreement.

**SIGNATURES**

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

Dated: August 17, 2023

BurgerFi International, Inc.

By: /s/ Carl Bachmann  
Carl Bachmann  
Chief Executive Officer (Principal Executive Officer)

By: /s/ Christopher Jones  
Christopher Jones  
Chief Financial Officer (Principal Financial and Accounting Officer)

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**STOCK PURCHASE AGREEMENT BY AND BETWEEN**

**CG2 CAPITAL LLC AND  
BURGERFI INTERNATIONAL, INC.**

**Dated as of June 1, 2023**

## TABLE OF CONTENTS

### ARTICLE I DEFINITIONS 1

### ARTICLE II PURCHASE AND SALE 6

- Section 2.01 Purchase and Sale 6
- Section 2.02 Purchase Price 6
- Section 2.03 Transactions to be Effected at the Closing 6
- Section 2.04 Compliance with Rules of Principal Market 7
- Section 2.05 Closing 8
- Section 2.06 Withholding Tax 8

### ARTICLE III REPRESENTATIONS AND WARRANTIES OF BUYER 8

- Section 3.01 Organization, Existence and Good Standing. 8
- Section 3.02 Power and Authority 8
- Section 3.03 No Conflicts; Consents 9
- Section 3.04 Governmental Authority Consents 9
- Section 3.05 Sufficiency of Funds 9
- Section 3.06 Brokers 9
- Section 3.07 Investment Experience 9
- Section 3.08 Risk of Investment 9
- Section 3.09 Investment Purpose 9
- Section 3.10 Accredited Investor 10
- Section 3.11 Lock-Up 10
- Section 3.12 Access to Data 10

### ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE COMPANY 10

- Section 4.01 Organization, Existence and Good Standing. 10
- Section 4.02 Power and Authority 10
- Section 4.03 Capitalization 11
- Section 4.04 No Conflicts; Consents 11
- Section 4.05 Governmental Authority Consents 12
- Section 4.06 BFI Reports, Financial Statements 12
- Section 4.07 Litigation 13
- Section 4.08 Brokers 13

### ARTICLE V COVENANTS 13

- Section 5.01 Confidentiality 13
- Section 5.02 Public Announcements 14
- Section 5.03 Further Assurances 15
- Section 5.04 Takeover Statutes. 15
- Section 5.05 Lock-Up 15
- Section 5.06 Tax Covenants 15
- Section 5.07 Board Observer 15

### ARTICLE VI INDEMNIFICATION 16

- Section 6.01 Survival 16
  
- Section 6.02 Indemnification By the Company. 16
- Section 6.03 Indemnification By Buyer 16
- Section 6.04 Certain Limitations 17

**Section 6.05 Indemnification Procedures 18**  
**Section 6.06 Payments 19**  
**Section 6.07 Tax Treatment of Indemnification Payments 20**  
**Section 6.08 Effect of Investigation 20**  
**Section 6.09 Exclusive Remedies 20**

ARTICLE VII RESERVED 20

ARTICLE VIII MISCELLANEOUS 20

**Section 8.01 Expenses 20**  
**Section 8.02 Notices 20**  
**Section 8.03 Interpretation 21**  
**Section 8.04 Headings. 22**  
**Section 8.05 Severability 22**  
**Section 8.06 Entire Agreement 22**  
**Section 8.07 Successors and Assigns 22**  
**Section 8.08 No Third-party Beneficiaries 22**  
**Section 8.09 Amendment and Modification; Waiver 22**  
**Section 8.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial 22**  
**Section 8.11 Specific Performance 23**  
**Section 8.12 Counterparts 23**  
**Section 8.13 Disclosure Schedules 23**



## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (together with all schedules hereto, this “**Agreement**”), dated as of June 1, 2023 (the “**Closing Date**”), is entered into by and between CG2 Capital LLC, a Georgia limited liability company (“**Buyer**”) and BurgerFi International, Inc., a Delaware corporation (the “**Company**” and together with Buyer, the “**Parties**” and each, a “**Party**”).

### RECITALS

**WHEREAS**, the authorized capital stock of the Company consists of (i) 100,000,000 shares of common stock, par value \$0.0001 (“**BFI Common Stock**”) and (ii) 10,000,000 shares of preferred stock, par value \$0.0001 (the “**BFI Preferred Stock**”);

**WHEREAS**, the Company filed a Form S-3 Registration Statement, as amended, with the SEC and effective as of December 8, 2022 (File No. 333-268585), whereby the Company may issue and sell, from time to time, certain securities of the Company, including shares of BFI Common Stock in one or more offerings with an aggregate offering price not to exceed \$100,000,000.00 (the “**Shelf Registration Statement**”); and

**WHEREAS**, the Company wishes to sell to Buyer, and Buyer wishes to purchase from the Company, 2,868,853 shares of BFI Common Stock (the “**BFI Shares**”), subject to the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this ARTICLE I: “**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agreement**” has the meaning set forth in the preamble. “**Basket**” has the meaning set forth in Section 6.04(a).

“**BFI 10-K**” shall mean the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

“**BFI 10-Q**” shall mean the Company’s Quarterly Report on Form 10-Q for the period ending March 31, 2023

“**BFI Balance Sheet**” shall mean the consolidated balance sheet of Buyer as of March 31, 2023 and the footnotes thereto set forth in the BFI 10-Q.

“**BFI Business**” means the business of operating: (i) a fast-casual “better burger” concept under the name “BurgerFi” with a classic American menu of premium burgers, hot dogs, crispy chicken, frozen custard, hand-cut fries, beer, wine and more; and (ii) a premium pizza and wing brand concept under the name “Anthony’s Coal Fired Pizza” centered around a 900-degree coal fired oven with a menu of “well-done” pizza, coal fired chicken wings, homemade meatballs, and a variety of handcrafted sandwiches and salads.

“**BFI Common Stock**” has the meaning set forth in the Recitals.

“**BFI Company**” means each of the Company and each Subsidiary of the Company, and collectively, the “**BFI Companies**.”

“**BFI Financial Statements**” means all of the financial statements of the BFI Companies (including all notes thereto) included in the BFI Reports, including the financial statements of the BFI Companies (including all notes thereto) as of March 31, 2023, as filed by the Company with the SEC prior to the Closing Date.

“**BFI Preferred Stock**” has the meaning set forth in the Recitals.

“**BFI Reports**” shall mean all forms, reports, statements, certifications, information, registration statements and other documents (as supplemented and amended since the time of filing and including all exhibits and other information incorporated therein) filed or required to be filed by the Company with the SEC.

“**BFI Shares**” means an amount of newly-issued shares of BFI Common Stock (valued at the Per Common Share Amount) representing an amount equal to the Purchase Price.

“**BFI Stockholders**” means the holders of shares of common stock of the Company. “**Business Day**” means any day except Saturday,

Sunday or any other day on which

commercial banks located in New York City, NY are authorized or required by Law to be closed for business.

“**Buyer**” has the meaning set forth in the preamble.

“**Buyer Designated Board Observer**” has the meaning set forth in Section 5.07 “**Buyer Indemnitees**” has the meaning set forth in Section 6.02.

“**Closing**” has the meaning set forth in Section 2.05. “**Closing Date**” has the meaning set forth in the Preamble.

“**Code**” means the Internal Revenue Code of 1986, as amended. “**Company**” has the meaning set forth in the preamble.

“**Company Board**” has the meaning set forth in Section 2.03(b)(ii)(B). “**Company Indemnitees**” has the meaning set forth in Section 6.03.

“**Confidentiality Agreement**” means the Confidentiality and Non-Disclosure Agreement between the Company and Buyer or an Affiliate dated May 8, 2023.

“**Contracts**” means all legally binding contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“**DGCL**” means the Delaware General Corporation Law. “**Direct Claim**” has the meaning set forth in Section 6.05(c).

“**Disclosure Schedules**” means the Disclosure Schedules delivered by the Company and Buyer concurrently with the execution and delivery of this Agreement.

“**Encumbrance**” means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“**Enforceability Exceptions**” has the meaning set forth in Section 3.02.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**Fraud**” means with respect to a Party, an actual and intentional misrepresentation of a material existing fact with respect to the making of any representation or warranty in ARTICLE III or ARTICLE IV made by such Party, (a) with respect to the Company, to the Knowledge of the Company, or (b) with respect to Buyer, to the Knowledge of Buyer, in each case under (a) and (b) of its falsity and made for the purpose of inducing any other Party to act, and upon which such other Party justifiably relies with resulting Losses.

“**GAAP**” means United States generally accepted accounting principles in effect from time to time, consistently applied.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or

quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority against the applicable Party.

“**Indemnified Party**” has the meaning set forth in Section 6.05. “**Indemnifying Party**” has the meaning set forth in

Section 6.05.

“**Knowledge of Buyer or Buyer’s Knowledge**” or any other similar knowledge qualification, means the actual knowledge of Shehzaan Chunara.

“**Knowledge of the Company or the Company’s Knowledge**” or any other similar knowledge qualification, means the actual knowledge of the Chief Executive Officer of the Company.

“**Law**” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“**Liabilities**” means any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“**Lock-Up**” has the meaning set forth in Section 5.05.

“**Losses**” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; *provided, however,* that “**Losses**” shall not include punitive, treble, consequential, special or multiple damages except to the extent actually paid in a Third Party Claim.

“**Nasdaq**” means Nasdaq Stock Market LLC.

“**Per Common Share Amount**” means One U.S. Dollar and Twenty-Two Cents (US\$1.22).

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, registrations, certifications and similar rights obtained, or required to be obtained, from Governmental Authorities.

“**Permitted Encumbrances**” means (i) statutory liens for Taxes not yet due and payable, that are due but not yet delinquent or that are being contested in good faith and by appropriate proceedings; (ii) statutory liens of landlords, carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due; (iii) mortgages and security

interests securing the indebtedness with third parties entered into in the ordinary course of business consistent with past practice, which are not, individually or in the aggregate material to the BFI Business; (iv) zoning, entitlement, building and other land use and similar Laws or regulations imposed by any Governmental Authority having jurisdiction over any leased real estate which are not violated in any material respects, individually or in the aggregate, by the current use and operation thereof; and (v) easements, covenants, conditions, restrictions, reservations and other similar matters of record effecting any leased real estate which would not materially impair, individually or in the aggregate, the use or occupancy of such leased real estate in the operation of the BFI Business.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Principal Trading Market**” means initially Nasdaq, and any successor national securities exchange which is the principal trading market for the BFI Common Stock.

“**Purchase Price**” shall have the meaning set forth in Section 2.02.

“**Related Person**” means, with respect to a Person, means (i) any Affiliate of such Person; (ii) any other Person who is or was a director, manager, officer, employee or consultant of such Person or its Affiliates, (iii) an Immediate Family Member of any such Person; and (iv) any direct or indirect beneficiary of the BFI Shares issued at Closing pursuant to this Agreement.

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**SEC**” shall mean the U.S. Securities and Exchange Commission.

“**Securities Act**” shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Shelf Registration Statement**” has the meaning set forth in the Recitals.

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either directly or through or together with another Subsidiary of such Person) owns more than 50% of the voting stock equity interests or general partnership interests of such corporation, partnership, limited liability company, joint venture or other legal entity, as the case may be.

“**Takeover Statute**” means “fair price”, “moratorium”, “control share acquisition”, “interested shareholder,” “affiliate transaction”, “business combination” or other similar antitakeover Law or regulations (including the restrictions on business combinations set forth in Section 203 of the DGCL).

“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits,

customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Third Party**” means any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Related Person of the foregoing.

“**Third Party Claim**” has the meaning set forth in Section 6.05(a).

“**Transaction Documents**” means each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed or delivered by the Company and Buyer.

“**Transfer**” means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any interest owned by a person or any interest (including a beneficial interest) in, or the ownership, control or possession of, any interest owned by a person.

“**Transfer Agent**” means Continental Stock Transfer & Trust Company, a New York limited purpose trust company.

## ARTICLE II PURCHASE AND SALE

**Section 2.01 Purchase and Sale.** Subject to the terms and conditions set forth herein, at the Closing, the Company shall sell to Buyer, and Buyer shall purchase from the Company, the BFI Shares, free and clear of all Encumbrances other than under applicable state and federal securities laws and Encumbrances created by Buyer, for the consideration specified in Section 2.02.

**Section 2.02 Purchase Price.** The aggregate purchase price for the BFI Shares shall be Three Million and Five Hundred Thousand U.S. Dollars (US\$3,500,000.00) (the “**Purchase Price**”).

### **Section 2.03 Transactions to be Effected at the Closing.**

- (a) At the Closing, Buyer shall deliver to the Company:
  - (i) the Purchase Price by wire transfer of immediately available funds to an account designated in writing by the Company to Buyer;

(ii) the Transaction Documents and all other agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to this Agreement, in each case, duly executed by Buyer;

(b) At the Closing, the Company shall :

(i) cause the Transfer Agent to:

(A) register Buyer as the owner of the BFI Shares; and

(B) issue uncertificated BFI Shares represented by book-entry shares, free and clear of all Encumbrances, other (i) than restrictions on transfer under applicable state and federal securities laws; and (ii) the lock up provision set forth in Section 5.05;

(ii) deliver to Buyer:

(A) the Transaction Documents and all other agreements, documents, instruments or certificates required to be delivered by the Company at or prior to the Closing pursuant to this Agreement, in each case, duly executed by the Company;

(B) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying that attached thereto are true and complete copies of all resolutions adopted by the Board of Directors of the Company (the "**Company Board**") authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby; and

(C) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying the names and signatures of the officers of the Company authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

**Section 2.04 Compliance with Rules of Principal Market.** The Company shall not issue or sell any shares of BFI Common Stock pursuant to this Agreement, and Buyer shall not purchase or acquire any shares of BFI Common Stock pursuant to this Agreement, to the extent that after giving effect thereto, the aggregate number of shares of BFI Common Stock that would be issued pursuant to this Agreement and the transactions contemplated hereby, including with respect to the Option Consideration Shares, would exceed an amount representing 19.99% of the shares of BFI Common Stock issued and outstanding immediately prior to the execution of this Agreement.

**Section 2.05 Closing.** Subject to the terms and conditions of this Agreement, the purchase and sale of the Shares contemplated hereby shall take place simultaneously with the execution of this Agreement on the Closing Date (the “**Closing**”) at the offices of Holland & Knight, LLP, 701 Brickell Avenue, Suite 3300, Miami, Florida 33131 or remotely by exchange of documents and signatures (or their electronic counterparts).

**Section 2.06 Withholding Tax.** Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer is required to deduct and withhold under any provision of Tax Law; *provided* that Buyer provides the Company with at least five (5) days’ advance notice of the applicability of any withholding Tax and Buyer shall use commercially reasonable efforts to work together with the Company during such five (5) day period to reduce or eliminate any such withholding Tax, to the extent possible under applicable Laws. Any amounts so deducted and withheld will be remitted by Buyer to the appropriate Governmental Authority on a timely basis. To the extent that amounts are so deducted and withheld and remitted to the applicable Governmental Authority, such amounts will be treated for all purposes as having been paid to the Company. Buyer acknowledges and agrees that no withholding is required as of the Closing Date.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF BUYER**

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, Buyer represents and warrants to the Company that the statements contained in this ARTICLE III are true and correct as of the Closing Date.

**Section 3.01 Organization, Existence and Good Standing.** Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Georgia.

**Section 3.02 Power and Authority.** Buyer has full limited liability company power and authority to enter into this Agreement and the Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by the Company) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, reorganization, insolvency, moratorium and other similar Laws of general application from time to time in effect affecting creditors’ rights generally, (ii) by general principles of equity and (iii) the power of a court to deny enforcement of remedies generally based upon public policy (collectively, the “Enforceability Exceptions”). When each Transaction Document to which Buyer is or will be a party has been duly executed and delivered by Buyer (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer, enforceable against it in accordance with its terms, except with respect to the Enforceability Exceptions.



**Section 3.03 No Conflicts; Consents.** The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer;

(c) require the consent or notice by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any agreement to which Buyer is a party, except in cases of clauses (b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice or obtain consent would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

**Section 3.04 Governmental Authority Consents.** No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, except for such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which, in the aggregate, would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

**Section 3.05 Sufficiency of Funds.** Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

**Section 3.06 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the Transaction Documents based upon arrangements made by or on behalf of Buyer.

**Section 3.07 Investment Experience.** Buyer has substantial experience in evaluating and investing in securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

**Section 3.08 Risk of Investment.** Buyer understands and acknowledges that its investment in the Company involves risks. Buyer can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the securities for an indefinite period of time and to suffer a complete loss of its investment.

**Section 3.09 Investment Purpose.** Buyer is acquiring the BFI Shares as principal for its own account and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such BFI Shares (this representation and warranty not limiting such Buyer's right to sell, subject to the Lock-Up, the BFI Shares pursuant to the Shelf Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Buyer is acquiring the BFI Shares hereunder in the ordinary course of its business.

**Section 3.10 Accredited Investor.** Buyer and each of its equity holders is an “accredited investor” as defined in Rule 501(a) under the Securities Act. Buyer agrees to furnish any additional information requested by the Company or any of its Affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the issuance of the BFI Shares.

**Section 3.11 Lock-Up.** Buyer acknowledges and agrees that it must bear the economic and financial risk of an investment in the BFI Shares for the period of the lock up as set forth in Section 5.05.

**Section 3.12 Access to Data.** Buyer has had an opportunity to conduct its own independent due diligence and ask questions of officers of the Company, which questions were answered to its reasonable satisfaction. Buyer understands that any such discussions, as well as any information *provided* by the Company, were intended to describe certain aspects of the Company’s business and prospects, but were not necessarily a thorough or exhaustive description. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of the Company set forth in ARTICLE IV of this Agreement (including the related portions of the Disclosure Schedules); and (b) none of the Company or any other Person has made any representation or warranty as to the Company or this Agreement, except as expressly set forth in ARTICLE IV of this Agreement (including the related portions of the Disclosure Schedules).

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

Except (i) as disclosed in the BFI Reports (and excluding any disclosures set forth in the BFI Reports (x) under the captions “Risk Factors” or “Forward-Looking and Cautionary Statements” and (y) in any other section relating to forward-looking statements to the extent they are cautionary, predictive or forward-looking in nature) or (ii) as set forth in the numbered Section of the Disclosure Schedules, the Company represents and warrants to Buyer that the statements contained in this ARTICLE IV are true and correct as of the Closing Date.

**Section 4.01 Organization, Existence and Good Standing.** The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware.

**Section 4.02 Power and Authority.** The Company has full corporate power and authority to enter into this Agreement and the Transaction Documents to which the Company is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Company of this Agreement and Transaction Documents to which Buyer is a party, the performance by the Company of its obligations hereunder and thereunder and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except with respect to the Enforceability Exceptions. When each

Transaction Document to which the Company is or will be a party has been duly executed and delivered by the Company (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of the Company enforceable against it in accordance with its terms, except with respect to the Enforceability Exceptions.

**Section 4.03 Capitalization.**

(i) As of the Closing Date, the authorized capital stock of the Company consists of (i) 100,000,000 shares of BFI Common Stock and (ii) 10,000,000 shares of BFI Preferred Stock. At the Closing, the authorized capital stock of the Company shall consist of (i) 100,000,000 shares of BFI Common Stock and (ii) 10,000,000 shares of BFI Preferred Stock. The Company has also authorized and issued redeemable warrants, each exercisable for one share of BFI Common Stock at an exercise price of \$11.50 per share. As of the Closing Date, (i) 23,853,927 shares of BFI Common Stock are issued and outstanding; (ii) 2,120,000 shares of BFI Series A Preferred are issued and outstanding; (iii) the Company has the following warrants and options outstanding: (A) 15,063,800 warrants outstanding, each exercisable for one share of BFI Common Stock at an exercise price of \$11.50 per share; and (B) an option to purchase 75,000 units (each unit comprising one share of BFI Common Stock and one warrant exercisable for one share of BFI Common Stock at an exercise price of \$11.50 per share), at an exercise price of \$10.00 per unit; (C) 1,602,472 shares of BFI Common Stock were reserved for issuance pursuant to outstanding restricted stock units and 9,356,459 shares of BFI Common Stock were reserved for contingent consideration as part of the December 16, 2020 acquisition of BurgerFi International, LLC. Except as set forth in the foregoing sentence, there are no issued and outstanding shares of capital stock of the Company and there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the capital stock of the Company or obligating the Company to issue or sell any shares of capital stock of, or any other interest in, the Company.

(ii) As of the Closing Date, all of the BFI Shares have been duly authorized. Upon consummation of the transactions contemplated by this Agreement, Buyer shall own all of the BFI Shares, free and clear of all Claims, other than restrictions on transfer under applicable state and federal securities Laws and Section 5.05, and all of the BFI Shares shall be validly issued, fully paid and non-assessable. The Company has, and will continue to have through the Closing, sufficient authorized but unissued BFI Common Stock for the Company to meet its obligation to deliver the BFI Shares under this Agreement.

**Section 4.04 No Conflicts; Consents.** The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the Amended and Restated Certificate of Incorporation, the Amended and Restated Bylaws or other organizational documents of the Company; (b) conflict with or result in a violation or breach of

any provision of any Law or Governmental Order applicable to the Company, in each case, except where such conflict, violation or default would not, individually or in the aggregate, be material to the Company; (c) require the consent or notice by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract material to the BFI Business to which Buyer is a party or any Permit required by the BFI Companies to conduct the BFI Business as currently conducted, except as would not, reasonably be expected to have, individually or in the aggregate, a material effect on the Company's ability to consummate the transactions contemplated hereby; or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of the Company, except, in the case of each of clauses (b), (c), and (d), for any conflicts, violations, breaches, defaults, accelerations, cancellations, termination or Encumbrances that, or where the failure to obtain any consents or notices, in each case, would not reasonably be expected to have, individually or in the aggregate, a material effect on the Company's ability to consummate the transactions contemplated hereby.

**Section 4.05 Governmental Authority Consents.** No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Company in connection with the execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, except for (i) any filings required under, and compliance with other applicable requirements of, the Exchange Act, the Securities Act, state securities laws or "blue sky" laws and the rules the Nasdaq; and (ii) such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which, in the aggregate, would not reasonably be expected to have a material adverse effect on the Company's ability to consummate the transactions contemplated hereby.

**Section 4.06 BFI Reports, Financial Statements.**

(a) During the preceding 12 months, the Company has filed or otherwise transmitted or furnished all BFI Reports required to be filed with the SEC. As of their respective dates, or, if amended or superseded by a subsequent filing made prior to the date of this Agreement, as of the date of the last such amendment or superseding filing prior to the date of this Agreement, the BFI Reports complied as to form in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002, as the case may be, and the applicable rules and regulations promulgated thereunder, each as in effect on the date of any such filing. None of the BFI Reports (including any financial statements or schedules included or incorporated by reference therein) contained when filed (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of mailing, respectively) any untrue statement of a material fact or omitted to state a material fact required to be stated or incorporated by reference therein or necessary to make the statements therein, in the light of the circumstances under which they were or are made, not misleading. The Company currently is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of Nasdaq, and has received no notices of non-compliance from Nasdaq other than any such notices that have been disclosed in the BFI Reports. To the Company's Knowledge, there is no basis upon which any BFI Reports

(including any financial statements or schedules included or incorporated by reference therein) may be required to be amended (or restated in the face of financial statements). As of the date of this Agreement, there are no material outstanding or unresolved comments in comment letters or other correspondence from the SEC staff with respect to any of the BFI Reports and there are no unresolved matters required or requested by Nasdaq in any correspondence from Nasdaq. The Company is in compliance in all material respects with all applicable rules, regulations and requirements of the Sarbanes-Oxley Act of 2002.

(b) The Company has made available (including via the SEC's EDGAR system, as applicable) to Buyer all of the BFI Financial Statements. All of the BFI Financial Statements comply, as of their respective dates of filing with the SEC, in all material respects with the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, and have been prepared in accordance with GAAP in all material respects applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of the Company at the respective dates thereof (taking into account the notes thereto) and the consolidated results of the Company's operations, changes in stockholders equity and cash flows for the periods indicated (subject, in the case of unaudited statements, to normal year-end audit adjustments consistent with GAAP, the absence of notes and other adjustments described therein).

(c) The Company has established and maintains disclosure controls and procedures and internal controls over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) required by Rule 13a-15 and 15d-15 of the Exchange Act. Except as disclosed in the BFI Reports, such disclosure controls and procedures are effective to ensure that material information required to be disclosed by the Company is recorded and reported on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC and other public disclosure documents.

**Section 4.07 Litigation.** Except as set forth in the BFI Reports, there are no actions, suits or proceedings pending or, to the Company's Knowledge, threatened against or affecting the Company at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would adversely affect the Company's performance under this Agreement or the consummation of the transactions contemplated hereby.

**Section 4.08 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or Transaction Documents based upon arrangements made by or on behalf of the Company.

## ARTICLE V COVENANTS

### Section 5.01 Confidentiality.

(a) The Parties acknowledge and agree that the Confidentiality Agreement is incorporated hereby by reference and existence and terms of this Agreement and the transactions contemplated hereby are strictly confidential; *provided, that* such information may be disclosed (i) as required by applicable Law; (ii) by order of a court of competent jurisdiction; or (iii) the rules of Nasdaq or any other national securities exchange or association.

(b) Buyer acknowledges and agrees that (i) federal securities laws prohibit any person who has “material non-public information” concerning a public company such as the Company from purchasing or selling any of that company’s securities, and from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities; (ii) some of the confidential information of the Company (including this Agreement) may be considered “material non-public information” for purposes of federal securities laws and Buyer and its Representatives will abide by all securities laws relating to the handling of and acting upon material non-public information; and (iii) trading in the Company’s securities while in possession of material non-public information or communicating that information to another Person who trades in such securities could subject Buyer and its Representatives, as applicable, to liability under the U.S. federal and state securities laws, and the rules and regulations promulgated thereunder, including Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. Buyer acknowledges and agrees that it and its Affiliates will not trade in the Company’s securities while in possession of material non-public information or at all until such party can do so in compliance with all applicable Laws, in compliance with the lock-up provision in Section 5.05 and without breach of this Agreement.

**Section 5.02 Public Announcements.** The Parties shall consult with each other before issuing any press release, announcing or disclosing to employees of the Parties other than senior executives, making any other public statement, or scheduling any press conference or conference call with investors or analysts with respect to this Agreement or the transactions contemplated hereby, and except as may be required by applicable Law (including Franchise Law), order of a court of competent jurisdiction or the rules of Nasdaq or any other national securities exchange or association, shall not issue any such press release, make such announcement or disclosures to employees other than senior executives, make any such other public statement or schedule any such press conference or conference call before any required consultation as contemplated by this Section 5.02; *provided, that* after the issuance of a press release, the Company’s investor relations personnel may discuss with investors the information included in all press releases and public statements previously released or made, including in the BFI Reports. Following the Closing, no public announcement, press release or disclosure will be made by Buyer or Buyer’s Affiliates or Representatives with respect to the subject matter of this Agreement or the transactions contemplated herein, including the existence and terms of this Agreement, without obtaining the prior written consent of the Company; *provided, however,* that the provisions of this Section 5.02 will not prohibit (i) any disclosure required by any applicable Law, including any disclosure necessary or desirable to provide proper disclosure under the securities Laws or under any rules or regulations of any securities exchange on which the securities of such party may be listed or traded, or (ii) any disclosure made in connection with the enforcement of any right or remedy relating to,

or the performance of any obligation arising under, this Agreement or the transactions contemplated herein.

**Section 5.03 Further Assurances.** Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

**Section 5.04 Takeover Statutes.** Neither Buyer, the Company nor their Boards of Directors (or equivalent governing body) shall take any action that would cause any Takeover Statute to become applicable to this Agreement or any of the transactions contemplated hereby, and Buyer and Company shall take all necessary steps to exempt (or ensure the continued exemption of) the transactions contemplated hereby from any applicable Takeover Statute. If any Takeover Statute is, purports to be or may become applicable to the transactions contemplated by this Agreement, then Buyer and the Company and the members of their Boards of Directors shall grant such approvals and take such actions as are necessary so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise act to eliminate or minimize the effects of such statute or regulation on such transactions.

**Section 5.05 Lock-Up.** Notwithstanding any other provision in this Agreement, Buyer shall not, subject to the exception in the last sentence of this Section 5.05, Transfer any such shares of BFI Common Stock beneficially owned or owned of record by such Holder pursuant to a Registration Statement filed in accordance with this Agreement or in any other manner until the date that is twelve (12) months from the Closing Date, subject to (i) all requirements under the Securities Act of 1933, as amended and the rules and regulations thereunder (this Section 5.05 constituting the “**Lock-Up**”).

**Section 5.06 Tax Covenants.** All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the Transaction Documents (including any real property transfer Tax and any other similar Tax) (collectively, “Transfer Taxes”) shall be borne by Buyer when due.

**Section 5.07 Board Observer.** For so long as Buyer holds 10% or more of the issued and outstanding BFI Common Stock, the Company shall use its commercially reasonable efforts to cause the Chairman of the Board to invite one non-voting observer designated by Buyer (the “**Buyer Designated Board Observer**”) to the meetings of the Company Board. Notwithstanding the foregoing, no Buyer Designated Board Observer may serve as an observer if such person would be prohibited from serving as an observer pursuant to applicable securities law or rule or regulation of the SEC or applicable rules of the Principal Trading Market or other applicable Law, or opposed by a majority of the other members of the Company Board based on an exercise of their fiduciary duties to the Company’s stockholders acting in good faith and without limiting the rights of Buyer to designate an alternate designee.

## ARTICLE VI INDEMNIFICATION

**Section 6.01 Survival.** Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is twelve (12) months from the Closing Date; *provided, that* claims based on Fraud shall survive indefinitely. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein until performed. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

**Section 6.02 Indemnification By the Company.** From and after the Closing and subject to the other terms and conditions of this ARTICLE VI, the Company shall indemnify, hold harmless, reimburse and defend Buyer and their respective Representatives (collectively, the “**Buyer Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by the Buyer Indemnitees arising out of or resulting from:

- (a) any inaccuracy in or breach of any of the representations or warranties of the Company contained in this Agreement or in any certificate or transfer instrument delivered by or on behalf of the Company pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company pursuant to this Agreement; and
- (c) any claim brought against Buyer solely as a result of the consummation of the transaction contemplated hereby.

**Section 6.03 Indemnification By Buyer.** From and after the Closing and subject to the other terms and conditions of this ARTICLE VI, Buyer shall indemnify, hold harmless, reimburse and defend the Company and its Affiliates and their respective Representatives (collectively, the “**Company Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by the Company Indemnitees arising out of or resulting from:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or in any certificate or transfer instrument delivered by or on behalf of Buyer pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified



date, the inaccuracy in or breach of which will be determined with reference to such specified date); or

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement.

**Section 6.04 Certain Limitations.** The indemnification *provided* for in Section 6.02 and Section 6.03 shall be subject to the following limitations:

(a) The aggregate amount of all Losses for which Company shall be liable pursuant to Section 6.02(a) shall not exceed the Purchase Price.

(b) Subject to Section 6.04(d), (i) the aggregate amount of all Losses for which Company shall be liable pursuant to Section 6.02 shall not exceed an amount equal to the Purchase Price and (ii) the aggregate amount of all Losses for which Buyer shall be liable pursuant to Section 6.03 shall not exceed an amount equal to the Purchase Price.

(c) Solely for purposes of this ARTICLE VI, notwithstanding anything to the contrary contained herein, in determining the amount of Losses suffered by the Company Indemnitees or the Buyer Indemnitees related to (but not the existence of) a breach of any representation, warranty, agreement, or covenant in this Agreement, the representations and warranties set forth in this Agreement and any such applicable agreement or covenant contained in this Agreement shall be considered without regard to any “material,” “Material Adverse Effect,” or similar qualifications set forth therein.

(d) The amount of any Losses for which indemnification is provided for under this Agreement shall be: (i) reduced by (A) any amounts received by the Indemnified Party as a result of any indemnification, contribution or other payment by any third party, and (B) any insurance proceeds or other amounts received by the Indemnified Party from third parties with respect to such Losses. Any such payment under this Section 6.04(d) shall be treated as an adjustment to the Purchase Price.

(e) If the Indemnifying Party makes any payment on any indemnifiable claim, the Indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Indemnified Party against any third party in respect of the Losses to which the payment related. The Parties will execute upon request all instruments reasonably necessary to evidence and perfect the above subrogation rights.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, commercially reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto.

(g) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, except to the extent such damages are actually awarded to a third party in connection with a claim for which such Indemnifying Party is liable hereunder.

**Section 6.05 Indemnification Procedures.** The party making a claim under this ARTICLE VI is referred to as the “**Indemnified Party**”, and the party against whom such claims are asserted under this ARTICLE VI is referred to as the “**Indemnifying Party**”.

(a) *Third Party Claims.* If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Third Party (a “**Third Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party is actually prejudiced by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel, and the Indemnified Party shall cooperate in good faith in such defense; *provided, that* the Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim where the primary remedy sought is seeking an injunction or other equitable relief against the Indemnified Party. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 6.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party’s right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party; *provided, that* if in the reasonable opinion of counsel to the Indemnified Party, there exists an actual and material conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as *provided* in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 6.05(b), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Company and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available (subject to the provisions of Section 5.01) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) *Settlement of Third Party Claims.* Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 6.05(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party for which indemnification would not be provided by the Indemnifying Party pursuant to this ARTICLE VI and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim without the prior written consent of the Indemnified Party. If the Indemnified Party has assumed the defense pursuant to Section 6.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) *Direct Claims.* Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a “**Direct Claim**”) shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party is actually prejudiced by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party’s investigation by giving such information and assistance (including access to the Company’s premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30) day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

**Section 6.06 Payments.** Once a Loss is agreed to be paid by the Indemnifying Party or finally adjudicated to be payable pursuant to this ARTICLE VI, the Indemnifying Party shall satisfy its obligations within fifteen (15) Business Days of such final, non-appealable adjudication solely by wire transfer of immediately available funds to an account designated in writing by the Indemnified Party to the Indemnity Party.

**Section 6.07 Tax Treatment of Indemnification Payments.** All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

**Section 6.08 Effect of Investigation.** The Company shall not be liable under this Agreement for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of the Company contained in this Agreement if Buyer or its Affiliates or Representatives had knowledge of such inaccuracy or breach prior to the Closing. Buyer shall not be liable under this Agreement for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement if the Company or its Affiliates or Representatives had knowledge of such inaccuracy or breach prior to the Closing.

**Section 6.09 Exclusive Remedies.** Subject to Section 5.01 and Section 8.11, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud on the part of a Party in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this ARTICLE VI. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Parties and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this ARTICLE VI. Nothing in this Section 6.09 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled, including with respect to Section 8.11, any right or remedy under any Transaction Document, or to seek any remedy on account of any party's fraudulent or criminal misconduct.

## ARTICLE VII RESERVED

## ARTICLE VIII MISCELLANEOUS

**Section 8.01 Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

**Section 8.02 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal

business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.02):

If to Buyer: CG2 Capital LLC

2199 Glenmore Lane  
Snellville, Georgia 30078 Attention: Shehzaan Chunara  
E-mail: [andrew.shehzaan@chunaragroup.com](mailto:andrew.shehzaan@chunaragroup.com)

with a copy to (which shall not constitute notice):

Taylor English Duma LLP  
1600 Parkwood Circle, Suite 200  
Atlanta, Georgia 30339 Attention: Al B. Hill  
E-mail: ahill@taylorenghish.com

If to the Company: BurgerFi International, Inc. 200 West Cypress Creek Rd. Ft. Lauderdale, Florida 33309  
Attention: Stefan K. Schnopp E-mail: stefan@burgerfi.com

with a copy to (which shall not constitute notice):

Holland & Knight LLP  
701 Brickell Avenue, Suite 3300  
Miami, Florida 33131 Attention: Enrique A.  
Conde  
E-mail: enrique.conde@hklaw.com

**Section 8.03 Interpretation.** For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules mean the Articles and Sections of, and Disclosure Schedules attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

**Section 8.04 Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

**Section 8.05 Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

**Section 8.06 Entire Agreement.** Except for the Confidentiality Agreement, this Agreement and the Transaction Documents constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

**Section 8.07 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed; *provided, that* Buyer may, without the prior written consent of the Company and without being released from any of its obligations hereunder, transfer, pledge or assign this Agreement as security for any financing. No assignment shall relieve the assigning party of any of its obligations hereunder.

**Section 8.08 No Third-party Beneficiaries.** Except as provided in ARTICLE VI, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 8.09 Amendment and Modification; Waiver.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Any purported amendment, restatement, supplement, modification or waiver by any Party in a manner which does not comply with this Section 8.09 will be void.

**Section 8.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.**

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE OR, SOLELY IF SUCH COURT LACKS SUBJECT MATTER JURISDICTION, THE UNITED STATES DISTRICT COURT SITTING IN NEW CASTLE COUNTY IN THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

**Section 8.11 Specific Performance.** The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. The Parties agree not to assert that a remedy of specific performance or other equitable relief is unenforceable, invalid, contrary to law or inequitable for any reason, and agree not to assert that a remedy of monetary damages would provide an adequate remedy or that the Parties otherwise have an adequate remedy at Law. The Parties acknowledge and agree that any non-breaching Party seeking an injunction or injunctions to prevent breaches of this Agreement and/or to enforce specifically the terms and provisions of this Agreement in accordance with this Section 8.11 shall not be required to provide any bond or other security in connection with any such order or injunction.

**Section 8.12 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**Section 8.13 Disclosure Schedules.**

(a) Matters reflected in the Disclosure Schedules that are disclosed in one section shall be deemed to be disclosed on any section to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other section or sections without the necessity of a cross-reference. Nothing in the Disclosure



Schedules will be deemed or will constitute an admission of any Liability of any Party to any third party, nor an admission to any third party against the interests of any or all of the Parties. Headings have been inserted within the Disclosure Schedules for convenience of reference only and will not change the express description of corresponding sections of this Agreement. The numbering of the Disclosure Schedules reflects the corresponding numbering in this Agreement. It is specifically acknowledged that the Disclosure Schedules may expressly provide exceptions to a particular section of ARTICLE III or ARTICLE IV notwithstanding that the section does not state “except as set forth in Section ‘\_’ of the Disclosure Schedules” or words of similar effect.

(b) Neither the specification of any dollar amount in any representation or warranty contained in this Agreement nor the inclusion of any specific item in the Disclosure Schedules is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, and no Party shall use the fact of the setting forth of any such amount or the inclusion of any such item in any dispute or controversy between or among the Parties as to whether any obligation, item or matter not described herein or included in the Disclosure Schedules is or is not material for purposes of this Agreement. Unless this Agreement specifically provides otherwise, neither the specification of any item or matter in any representation or warranty contained in this Agreement nor the inclusion of any specific item in the Disclosure Schedules is intended to imply that such item or matter, or other items or matters, are or are not in the ordinary course of business, and no Party shall use the fact of the setting forth or the inclusion of any such item or matter in any dispute or controversy between or among the Parties as to whether any obligation, item or matter not described herein or included in the Disclosure Schedules is or is not in the ordinary course of business for purposes of this Agreement.

(c) Certain matters set forth in the Disclosure Schedules are included for informational purposes only notwithstanding that, because they do not rise above applicable materiality thresholds or otherwise, they may not be required by the terms of this Agreement to be set forth herein. All attachments to the Disclosure Schedules are incorporated by reference into the section of the Disclosure Schedules in which they are referenced.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**BUYER:**

**CG2 CAPITAL LLC**

By /s/ Shehzaan Chunara Name: Shehzaan Chunara Title: Authorized Signatory

**COMPANY:**

**BURGERFI INTERNATIONAL, INC.**

By /s/ Ophir Sternberg Name: Ophir Sternberg Title: Authorized Signatory

**BURGERFI INTERNATIONAL, INC.**  
**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (“**Agreement**”) is made and entered into effective as of June 6, 2023, by and between **BurgerFi International, Inc.**, a Delaware corporation (“**Company**”), and **Stefan K. Schnopp**, a Florida resident (“**Employee**”).

**WITNESSETH:**

WHEREAS, on January 3, 2022, Company and Employee entered into that certain Employment Agreement (the “**Employment Agreement**”) whereby Company engaged Employee as its Chief Legal Officer, and Employee agreed to render Employee’s duties to Company.

WHEREAS, Company and Employee wish to amend the Employment Agreement with respect to certain compensation matters set forth in Section 6 below.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Recitals and Exhibits.** The foregoing recitals and any exhibits referred to herein and attached hereto are true and correct and are incorporated herein by this reference.

2. **Engagement.** In exchange for the compensation set forth in Section 5 below and subject to the other terms and conditions hereinafter set forth, Company hereby engages Employee as Chief Legal Officer and Corporate Secretary, on an exclusive basis, to render Employee’s duties set forth in Section 3 hereof as an at-will Employee of Company and Employee hereby accepts such engagement.

3. **Employee Duties.** Subject to the terms and conditions herein, Employee shall serve as Company’s exclusive employee, working under the direction of the Chief Executive Officer and Executive Chairman of Company.

3.1 Employee shall perform the duties consistent with Employee’s title and position and such other duties commensurate with such position and title as shall be specified or designated by Company from time to time. The principal place of performance by Employee of Employee’s duties hereunder shall be Broward County, or Miami-Dade County Florida, although Employee may be required to reasonably travel outside of such area in connection with the performance of Employee’s duties, including to Palm Beach County, Florida.

3.2 Employee agrees to comply with all applicable laws and governmental rules, orders and regulations, and to conduct its business and activities so as to maintain and increase the goodwill and reputation of Company.

3.3 Employee acknowledges Company’s interest in maintaining and promoting Company’s reputation for quality and service. From time to time, Company may establish reasonable policies, procedures and requirements that will be applicable and disseminated to its

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Employees. Employee hereby agrees to strictly comply with all such policies, procedures and requirements.

1.1 Subject to the proviso below, Employee shall devote his entire business time, energy and skill to Employee's services under this Agreement.

1.2 Employee will use his best efforts to promote and serve the interests of Company and perform Employee's duties and obligations hereunder in a diligent, trustworthy, businesslike, efficient and lawful manner.

1.3 Employee will not engage in any activity that, directly or indirectly, impairs or conflicts with the performance of Employee's obligations and duties to Company; provided, however, that the foregoing shall not prevent Employee from managing Employee's personal affairs and passive personal investments, including participating in charitable, civic, educational, professional or community affairs, so long as, in the aggregate, any such activities do not unreasonably interfere or conflict with Employee's duties hereunder or create a potential business or fiduciary conflict with Company, as reasonably determined by Company.

4. At Will Employment. Employee's employment hereunder commenced on January 3, 2022 (the "**Commencement Date**") and shall continue thereafter, unless terminated as provided by Section 6 below. Employment with Company is "at-will." This means that either Employee or Company may terminate the employment relationship, for any reason, at any time, subject to Section 6 below.

5. Compensation. As compensation in full for the performance of Employee's duties hereunder, Employee shall receive the following:

5.1 Salary. An annual salary of \$300,000 (the "**Base Salary**"), subject to applicable withholdings and deductions and paid in 24 or 26 installments, every other week or twice each month, as other employees of Company are paid, subject to review at the end of each fiscal year by the Compensation Committee of the Board of Directors in consultation with the Chief Executive Officer and Executive Chairman. Employee acknowledges and agrees that Employee may be paid by a parent company or other affiliate of Company ("**Paymaster**"). Notwithstanding payment by Paymaster or reimbursement by an affiliate, Employee acknowledges and agrees that his sole contractual arrangement is with Company, Employee is not an employee of Paymaster or any affiliate, and Employee shall not have any claims against Paymaster or any affiliate relating to or arising out of Employee's engagement by Company.

5.2 Bonus.

(i) Employee shall be provided a signing bonus of 10,000 shares of Company common stock through a restricted stock unit grant (the "**Signing Bonus Restricted Stock Unit Grant**"), effective January 3, 2022 (the "**Grant Date**"), through Company's 2020 Omnibus Equity Incentive Plan (the "**Plan**"). Such Signing Bonus Restricted Stock Unit Grant shall vest in two equal installments (*i.e.*, 5,000 each) at the yearly anniversary of the Grant Date for each of the first two years of employment with Company, so long as Employee is still an employee

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in good standing at the time of each such anniversary, subject to the terms and conditions of the Restricted Stock Unit Award Agreement annexed hereto as Exhibit B.

(ii) Employee shall have the opportunity to earn a bonus in the discretion of the Chief Executive Officer and the Executive Chairman of the Board of the Corporation based on savings in expenses achieved by the Corporation as a result of the Corporation's employment of Employee.

(iii) Employee shall have the opportunity to earn an annual performance bonus of up to 30% of Employee's Base Salary.

5.3 Restricted Stock Units. The ability to earn up to 35,000 shares of Company common stock through a restricted stock unit grant (the "**Restricted Stock Unit Grant**"), effective as of the Grant Date, through the Plan. Such Restricted Stock Unit Grant shall vest in four equal installments equal amounts (i.e., 8,750 each) at the yearly anniversary of the Grant Date for each of the first four years of employment with Company, subject to Employee's achievement of the Key Performance Indicators set forth on Exhibit A hereto for the prior fiscal year, as determined in March of the year following such fiscal year, so long as Employee is still an employee in good standing at the time of each such anniversary, subject to the terms and conditions of the Restricted Stock Unit Award Agreement annexed hereto as Exhibit B.

5.4 Benchmark Restricted Stock Units. Eligibility to receive up to an additional 70,000 shares of Company common stock through a restricted stock unit grant ("**Benchmark Restricted Stock Unit Grant**"), effective as of the Grant Date, pursuant to the terms and conditions of the Restricted Stock Unit Award Agreement annexed hereto as Exhibit B, upon achievement by Company of the following benchmarks: (i) 17,500 restricted stock units, if during calendar year 2022 the last reported closing price of Company's common stock for any 20 trading days within any consecutive 30 trading day period is greater than or equal to \$11.00 per share; (ii) 17,500 restricted stock units, if during calendar year 2023 the last reported closing price of Company's common stock for any 20 trading days within any consecutive 30 trading day period is greater than or equal to \$11.00 per share; (iii) 17,500 restricted stock units, if during calendar year 2024 the last reported closing price of Company's common stock for any 20 trading days within any consecutive 30 trading day period is greater than or equal to \$13.00 per share; and (iv) 17,500 restricted stock units, if during calendar year 2025 the last reported closing price of Company's common stock for any 20 trading days within any consecutive 30 trading day period is greater than or equal to \$15.00 per share..

5.5 Benefits. The right to receive or participate in all employee benefit programs and perquisites generally established by Company from time to time for employees similarly situated to Employee, subject to the general eligibility requirements and other terms of such programs and perquisites, and subject to Company's right to amend, terminate or take other similar action with respect to any such programs and perquisites.

5.6 Vehicle Allowance. The right to receive a vehicle allowance amounting to \$800 per month.

5.7 Vacation and Other Paid Time Off. Four (4) weeks of paid time off, including vacation, sick days and any other paid time off, each year in accordance with then current Company policy. Employee shall be entitled to an additional week of paid time off following the first anniversary of the Commencement Date and another week of paid time off after the third anniversary.

5.8 Change in Control. If there is a Change of Control (as defined in the Plan) during the time Employee is still an employee in good standing, all unearned restricted stock units awarded under the Signing Bonus Restricted Stock Unit Grant, the Restricted Stock Unit

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Grant and the Benchmark Restricted Stock Unit Grant shall be deemed to have been earned and vested immediately prior to the Change of Control.

6. Termination. This Agreement shall be for at-will employment and shall continue until the occurrence of one of the below events. Upon the termination of Employee's engagement hereunder, Company shall have no further liability hereunder, except to pay Employee all compensation earned by Employee as of the date of termination and as set forth in this Section 6.
  - 6.1 Severance. Upon termination of this Agreement by Company without Cause at any time following the one-year anniversary of the Commencement Date (the "**Termination Date**"), Company shall:
    - (i) pay all accrued and unpaid Base Salary and accrued and unused vacation pay, payable within thirty (30) days of the date of termination, and all accrued and vested benefits through the date of termination, payable in accordance with the terms of the applicable benefit plan;
    - (ii) pay any Annual Bonus for any prior completed fiscal year that has been determined but not paid as of the date of termination, payable within thirty (30) days of the date of termination;
    - (iii) a pro-rata portion (based on days worked through the date of termination) of the Annual Bonus for the fiscal year of termination that Employee would have earned for such year had employment continued, based on actual performance results for the full annual performance period, payable at the time that annual bonuses are paid to active executives of Company (but in no event later than 75 days after the end of the fiscal year in which termination occurs);
    - (iv) continued payment ("**Severance Pay**") of Employee's Base Salary, payable in equal installments in accordance with Company's payroll practices (not less frequently than monthly), for a period of six (6) months after the Termination Date commencing on the first payroll period after Employee executes a general release on behalf of Company in connection with such termination (the "**Severance Period**"); provided, however, the Severance Pay due to Employee shall be reduced by the amount of any earnings from employment, including self-employment or other contract-for-hire work, earned or received by Employee during the Severance Period;
    - (v) if Employee timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), reimburse, grossed up for any applicable taxes, Employee for the monthly COBRA premium paid by Employee for Employee and Employee's dependents. Such reimbursement shall be paid to Employee on the fifth (5) of the month immediately following the month in which Employee timely remits the premium payment. Employee shall be eligible to receive such reimbursement until the earliest of: (a) the six (6)-month anniversary of the Termination Date; (b) the date Employee is no longer eligible to receive COBRA continuation coverage; and (c) the date on which Employee receives substantially similar coverage from another employer or other source.
  - 6.2 Employee's engagement and rights hereunder may be terminated as follows:
    - (i)

By Company for Cause (as defined below), at any time upon written notice;

- (ii) By the Employee for “**Good Reason**” following at least thirty (30) days’ written notice to the Company (which period may be shortened or waived by the party receiving notice);
- (iii) By Employee, as the case may be, immediately upon a breach of this Agreement that, if possible to be cured, has gone uncured for at least 30 days following written notice thereof; or
- (iv) By Company, following at least thirty (30) days’ written notice to Employee;
- (v) By Employee, following at least thirty (30) days’ written notice to Company; or
- (iv) By the written agreement of Employee and Company.

6.3 For purposes of this Agreement, “Cause” shall mean:

- (i) Employee’s engaging in dishonesty, fraud, misappropriation, or embezzlement with respect to Company or in connection with the performance of his duties;
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(ii) Employee's willful misconduct, recklessness or gross negligence that materially injures Company, whether such harm is economic or non-economic, including, but not limited to, material injury to their respective businesses or reputations;

(iii) Employee's conviction or plea of guilty or nolo contendere to any felony or to any misdemeanor involving moral turpitude;

(iv) Employee's continued and willful refusal to follow the reasonable and lawful directives that are assigned to Employee by the Chief Executive Officer or the Board, which, if curable, has not been cured by Employee within thirty (30) days after Employee's receipt of written notice from Company;

(v) Employee's breach of any material employment or other policy of Company, including but not limited to sexual harassment, other unlawful harassment, workplace discrimination or substance abuse, as reasonably determined by Company, which, if curable, has not been cured by Employee within thirty (30) days after Employee's receipt of written notice from Company; or

(vi) Employee's material breach of this Agreement or any other agreement applicable to Employee, which, if curable, has not been cured by Employee within thirty (30) days after receipt of written notice from Company stating with reasonable specificity the nature of such breach.

6.4 As used in this Agreement, "**Good Reason**" shall mean Employee's resignation if after twelve (12) months from the Commencement Date, if (i) Employee is not satisfied with his compensation package at that time; or (ii) Employee's title or duties are materially adversely modified without Employee's consent.

6.5 Upon termination, Employee shall:

(i) Deliver to Company all documents, data, records, and all other materials which are provided by Company to Employee, including any Confidential Information;

(ii) Take all such reasonable actions as shall be requested in writing from time to time by Company consistent with the foregoing and for the orderly transition of the services provided by Employee to either Company or to a new employee, in the discretion of Company.

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7. Confidential Information and Competition. Employee has entered into that certain Agreement Regarding Confidential Information and Prohibiting Competition attached hereto as Exhibit C, the terms and conditions of which are hereby incorporated by this reference, and agrees that nothing herein shall limit or restrict the obligations of Employee thereunder or enforcement of the terms thereof. As used herein, the term “**Confidential Information**” shall have the meaning set forth in the Agreement Regarding Confidential Information and Prohibiting Competition. This Section 7 and the Agreement Regarding Confidential Information and Prohibiting Competition shall survive the termination of this Agreement and Employee’s engagement hereunder.

8. Trade Names and Trademarks. Employee agrees that he will use only such trade names, trademarks or other designations of Company or any simulations thereof as may be authorized in writing by Company. All such use shall be in accordance with Company’s instructions and any such authorization may be withdrawn or modified at any time. Employee will, in the event this Agreement is terminated, cease all use of any of Company’s trade names, trademarks or other designations or other simulations thereof. Employee will not register or attempt to register or assert any right of ownership in any of Company’s trade names, trademarks or other designations or any simulations thereof. Employee shall immediately notify Company in writing upon learning of any potential or actual infringement of any trademark, patent, copyright or other proprietary right owned by or licensed to Company, or of any actual or potential infringement by Company of the rights of any third party.

9. Miscellaneous.

9.1 Notices. Any notice required or permitted to be delivered to any party under the provisions of this Agreement shall be deemed to have been duly given (a) upon hand delivery thereof, (b) upon telefax or email and written confirmation of transmission, (c) upon proof of delivery and receipt of any overnight deliveries, or (d) on the third (3rd) business day after mailing United States registered or certified mail, return receipt requested, postage prepaid, addressed to each party as follows:

To Company:                                 200 West Cypress Creek Rd, Suite 220  
Fort Lauderdale, FL 33309  
Attn: Chief Executive Officer

To Employee:                                 to the address set forth on the signature page

or to such other address or such other person as any party shall designate, in writing, to the others for such purposes and in the manner set forth in this Section.

9.2 Accuracy of Statements. No representation or warranty contained in this Agreement, and no statement delivered, or information supplied to any party pursuant hereto, contains an untrue statement of material fact or omits to state a material fact necessary to make the statements or information contained herein or therein not misleading. The representations and warranties made in this Agreement will be continued and will remain true and complete in all material respects and will survive the execution of the transactions contemplated hereby.

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1.1 Entire Agreement. This Agreement sets forth all the promises, covenants, agreements, conditions and understandings between the parties hereto, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, expressed or implied, oral or written, except as herein contained.

1.2 Binding Effect; Assignment. This Agreement shall be binding upon the parties hereto, their heirs, administrators, successors and assigns. Except as otherwise provided in this Agreement, no party may assign or transfer its interests herein, or delegate its duties hereunder, without the written consent of the other party. Any assignment or delegation of duties in violation of this provision shall be null and void.

1.3 Amendment. The parties hereby irrevocably agree that no attempted amendment, modification, termination, discharge or change of this Agreement shall be valid and effective, unless the parties shall unanimously agree in writing to such amendment.

1.4 No Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted, and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

1.5 Gender and Use of Singular and Plural. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the party or parties, or their personal Employees, successors and assigns may require.

1.6 Headings. The article and section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of the Agreement.

1.7 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Florida and any proceeding arising between the parties in any manner pertaining or related to this Agreement shall, to the extent permitted by law, be held in Palm Beach County, Florida.

1.8 Further Assurances. The parties hereto will execute and deliver such further instruments and do such further acts and things as may be reasonably required to carry out the intent and purposes of this Agreement.

1.9 Litigation. If any party hereto is required to take any action or engage in litigation against any other party hereto, either as plaintiff or as defendant, in order to enforce or defend any rights under this Agreement, and such litigation results in a final judgment in favor of such party, then the party or parties against whom said final judgment is obtained shall reimburse the prevailing party for all direct, indirect or incidental expenses incurred, including, but not limited to, all attorneys' fees, court costs and other expenses incurred throughout all negotiations, trials or appeals undertaken in order to enforce the prevailing party's rights hereunder.

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1.10 Mediation. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by a mediation administered by a mutually agreed upon mediator and, except as set forth below, the cost of any such mediation shall be shared equally by all parties thereto. Any judgment on the award rendered by the mediator(s) may be entered in any court having jurisdiction thereof. During any mediation related to the Agreement, the parties shall continue to perform their respective obligations under this Agreement. The prevailing party in any enforcement of this Agreement shall be entitled to recover all costs and expenses of such enforcement, including costs of litigation, and attorneys' fees, costs, and expenses, at trial through appeal.

1.11 Indemnification: D&O Insurance.

(i) Company hereby agrees to indemnify Employee and to defend and hold him harmless to the fullest extent permitted by law and under the by-laws of Company against and in respect to any and all actions, suits, proceedings, claims, demands, judgments, costs, expenses (including reasonable attorney's fees at all levels of proceedings), losses, and damages resulting from Employee's good faith performance of his duties and obligations hereunder. This Section 9.13 shall survive the termination of this Agreement and Employee's engagement hereunder.

(ii) Company shall purchase and maintain insurance, at its expense, to protect itself and Employee while serving in such capacity to Company or on behalf of Company as an officer or director or employee of any affiliate of Company.

1.12 Counterparts. This Agreement may be executed in counterparts and by facsimile and/or e-mail .pdf, each of which shall constitute originals and all of which, when taken together, shall constitute the same original instrument, legally binding all parties to this Agreement.


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With full power and authority and intending to be legally bound, the parties hereto have executed this Agreement as of the date first above written.

**COMPANY:**

By:   
Michelle Zavolta, Chief People Officer

**EMPLOYEE:**



By: \_\_\_\_\_  
Stefan K. Schnopp  
Address: 6211 Alton Road, Miami Beach, FL 33140

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**EXHIBIT A**

Key Performance Indicators (KPIs)

[Previously Provided]

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**EXHIBIT B**

**RESTRICTED STOCK UNIT AWARD AGREEMENTS**

[Previously Provided]

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**EXHIBIT C**

**Agreement Regarding Confidential Information and Prohibiting Competition**

[Previously Provided]

**CERTIFICATIONS REQUIRED BY SECTION 302(A)  
OF SARBANES-OXLEY ACT OF 2002**

I, Carl Bachmann, certify that:

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

Date: August 17, 2023

By:  /s/ Carl Bachmann  
Carl Bachmann  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS REQUIRED BY SECTION 302(A)  
OF SARBANES-OXLEY ACT OF 2002**

I, Chris Jones, certify that:

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

Date: August 17, 2023

By:     /s/ Chris Jones    

Chris Jones

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of BurgerFi International, Inc. (the "Company") on Form 10-Q for the period ended July 3, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carl Bachmann, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 17, 2023

By:     /s/ Carl Bachmann    

Carl Bachmann

Chief Executive Officer

(Principal Executive Officer)

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Quarterly Report on Form 10-Q for the period ended July 3, 2023, or as a separate disclosure document of the Company or the certifying officers.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of BurgerFi International, Inc. (the "Company") on Form 10-Q for the period ended July 3, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chris Jones, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 17, 2023

By:  /s/ Chris Jones

Chris Jones

Chief Financial Officer

(Principal Financial and Accounting Officer)

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Quarterly Report on Form 10-Q for the period ended July 3, 2023, or as a separate disclosure document of the Company or the certifying officers.