



Potbelly Drives Franchise Momentum through End of Year with Four Additional Shop Development Agreements

December 5, 2022

Existing Franchisees Extend Relationship with the Iconic Brand Demonstrating Enthusiasm for the Company's Direction

CHICAGO, Dec. 05, 2022 (GLOBE NEWSWIRE) -- Potbelly Corporation (NASDAQ: PBPB) ("Potbelly" or the "Company") announced today it is successfully continuing to build upon its Franchise Growth Acceleration Initiative through the execution of development agreements with several existing franchisees. The agreements extend development rights with Brent Brouse (Greenville and Wilmington, North Carolina and Myrtle Beach, South Carolina), Paul Goldammer (Sioux Falls, South Dakota), Fabian Nelson (Memphis, Tennessee) and Mohit Kishore and Tulshi Bakar (Wake, Durham, Orange and Chatham counties, North Carolina); each of which are strong operators in the Company's system. Under the agreements, Potbelly's collective footprint in these markets will be expanded with 25 new shops over the next six years.

Today's announcement comes on the heels of the Company's recently signed development deals for a total of 25 additional shops in Florida and Illinois over the next eight years, resulting in a cumulative total of 50 new shops to date.

"It's been a significant last couple of months for us at Potbelly – with our double-digit same-store sales growth and excellent sales to investment ratio, we're signing deals for new markets as well as reaffirming our strong relationships with existing franchisees," said Bob Wright, President and Chief Executive Officer of Potbelly. "Our model and strategy are working, and we are pleased to continue our growth story with strong operators in our Potbelly family."

The Company's strengthened performance through its record average unit volumes and the support of its seasoned leadership team, with over 100 years of combined experience, is driving its ability to attract franchisees. It was recently announced that Wright's contract will be extended through 2025, giving continuity to the solid team and strategy behind the brand's growth. Wright will continue to lead the charge to achieve 'Traffic Driven Profitability' through the brand's five strategic pillars that include 1) Craveable, Quality Food at a Great Value; 2) People Creating Good Vibes; 3) Customer Experiences that Drive Traffic Growth; 4) Digitally-Driven Awareness, Connection and Traffic; 5) Franchise-Focused Development.

As part of the Franchise Growth Acceleration Initiative, Potbelly plans to reach 2,000 shops with at least 85% of those being franchised shops over the next 10 years. The Company also plans to rebrand approximately 25% of its company owned shops by 2024.

Ideal franchise candidates should be able to meet the required financial criteria, have restaurant operations experience, strong entrepreneurial skillsets, focused and driven problem solving and enjoy working with others. Operators can benefit from the sandwich concept's flexible shop designs, including inline, endcap, drive-thru and non-traditional locations, which are equipped with tech-enabled enhancements to foster in-shop, take-out and delivery dining. These factors, along with a diverse menu and multiple revenue streams stemming from various dayparts, all make Potbelly an attractive franchise restaurant investment.

For more information on Potbelly franchise opportunities, visit <https://www.potbelly.com/franchising-why-potbelly>.

About Potbelly

Potbelly Corporation is a neighborhood sandwich concept that has been feeding customers' smiles with warm, toasty sandwiches, signature salads, hand-dipped shakes and other fresh menu items, customized just the way customers want them, for more than 40 years. Potbelly promises Fresh, Fast & Friendly service in an environment that reflects the local neighborhood. Since opening its first shop in Chicago in 1977, Potbelly has expanded to neighborhoods across the country, with 400 company-owned shops in the United States. Additionally, Potbelly franchisees operate over 40 shops in the United States. For more information, please visit our website at www.potbelly.com.

Forward-Looking Statements

This press release may contain statements that might be considered forward-looking statements or predictions of future operations including with respect to the Company's ability to successfully execute its Franchise Growth Acceleration Initiative and development deals and its ability to successfully rebrand certain of its locations. Such statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are based on management's belief or interpretation of information currently available. These statements and assumptions involve certain risks and uncertainties including that it is unable to successfully execute its Franchise Growth Acceleration Initiative and that the Company is not able to achieve its planned expansion. Actual events may also differ from these expectations as a result of the risks identified from time to time in our filings with the Securities and Exchange Commission. We assume no duty to update these statements as of any future date.

Contact:

Investor Contact:

Lisa Fortuna or Ashley Gruenberg
Alpha IR Group
312-445-2870
PBPB@alpha-ir.com

Media Contact:
Katie Gibbons
All Points Public Relations
kgibbons@allpointspr.com
773-354-6454