



Potbelly Corporation Plans Expansion in New York City with Development Agreement and First Refranchise Deal

March 13, 2023

Potbelly continues execution against its Franchise Growth Acceleration Initiative in premier U.S. Market

CHICAGO, March 13, 2023 (GLOBE NEWSWIRE) -- Potbelly Corporation (NASDAQ: [PBPB](#)) ("Potbelly" or the "Company"), the iconic neighborhood sandwich shop, today announced it has finalized a multi-unit development agreement along with its first refranchising deal in New York City. This agreement includes multi-unit development for 13 new shops over the next eight years, and the refranchise of eight shops, the ownership of which has been fully transferred.

Bob Wright, President and Chief Executive Officer, commented, "I am excited to announce Potbelly's expansion in New York City, one of the premier markets in the U.S., and that this expansion includes our first refranchise transaction. This agreement marks an important milestone for our Franchise Growth Acceleration Initiative as we expand Potbelly's footprint across the country. It also demonstrates our confidence in the dynamic New York market as well as Central Business District (CBD) shops for the brand. We're thrilled with the momentum we are gaining to achieve our franchising and refranchising goals as we continue our growth journey."

United One Group ("UOG") acquired the eight existing Potbelly locations in New York City, and additionally committed to developing 13 new shops over the next eight years. UOG is an experienced franchise group, led by Chief Executive Officer Paramjit Josan and Chief Development Officer Manny Singh. Combined, the UOG team has over 75 years of restaurant experience, developing and operating fast casual, quick service restaurants, and sandwich-specific brands as well as other hospitality-focused businesses. Additionally, UOG has deep experience in the Manhattan region and real estate market.

Paramjit Josan, said, "Potbelly is a clear gem within the sandwich and fast casual space, offering a best-in-class dining experience. We look forward to using our depth of experience in New York City and within the restaurant sector to strategically develop Potbelly locations in the New York City area and expand upon its leading brand positioning."

As part of the Franchise Growth Acceleration Initiative announced in March 2022, Potbelly plans to reach 2,000 units with at least 85% of those being franchised shops over the next 10 years. The brand also plans to refranchise approximately 25% of its company owned shops in conjunction with Shop Development Area Agreements.

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. Operations can benefit from the sandwich concept's flexible sop 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 and 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 approximately 429 locations shops in the United States including approximately 45 franchised shops. 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 refranchise 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