



***Investor
Presentation***
May/June 2022

Forward-Looking Statements

In addition to historical information, this presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995. Forward-looking statements, written, oral or otherwise made, represent the Company's expectation or belief concerning future events. Without limiting the foregoing, the words "believes," "expects," "may," "might," "will," "should," "seeks," "intends," "plans," "strives," "goal," "estimates," "forecasts," "projects" or "anticipates" or the negative of these terms and similar expressions are intended to identify forward-looking statements. Forward-looking statements included in this presentation may include, among others, statements relating to our (i) future financial position and results of operations, including three-year growth and profitability targets and long-term unit potential, (ii) business strategy, including investments in G&A growth, the refranchising of shops, expansion and deployment of high-return strategic marketing, (iii) ability to successfully execute against our Five-Pillar Strategy, (iv) guidance for Q2 2022 sales and shop-level margins, (v) outlook for 2022, including sales, average unit volumes, same store sales, shop-level margins, (vi) ability to strengthen sales through the use of promotional campaigns, (vii) ability to recruit and retain employees and (viii) expectations regarding the recovery of Airport and CBD locations. By nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or implied by the forward-looking statement, due to reasons including, but not limited to, risks related to the COVID-19 outbreak; compliance with our Credit Agreement covenants; competition; general economic conditions; our ability to successfully implement our business strategy; the success of our initiatives to increase sales and traffic; changes in commodity, energy and other costs; our ability to attract and retain management and employees; consumer reaction to industry-related public health issues and perceptions of food safety; our ability to manage our growth; reputational and brand issues; price and availability of commodities; consumer confidence and spending patterns; and weather conditions. In addition, there may be other factors of which we are presently unaware or that we currently deem immaterial that could cause our actual results to be materially different from the results referenced in the forward-looking statements. All forward-looking statements contained in this presentation are qualified in their entirety by this cautionary statement. Although we believe that our plans, intentions and expectations are reasonable, we may not achieve our plans, intentions or expectations. Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof. See "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" included in our most recent annual report on Form 10-K and other risk factors described from time to time in subsequent quarterly reports on Form 10-Q or other subsequent filings, all of which are available on our website at www.potbelly.com. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

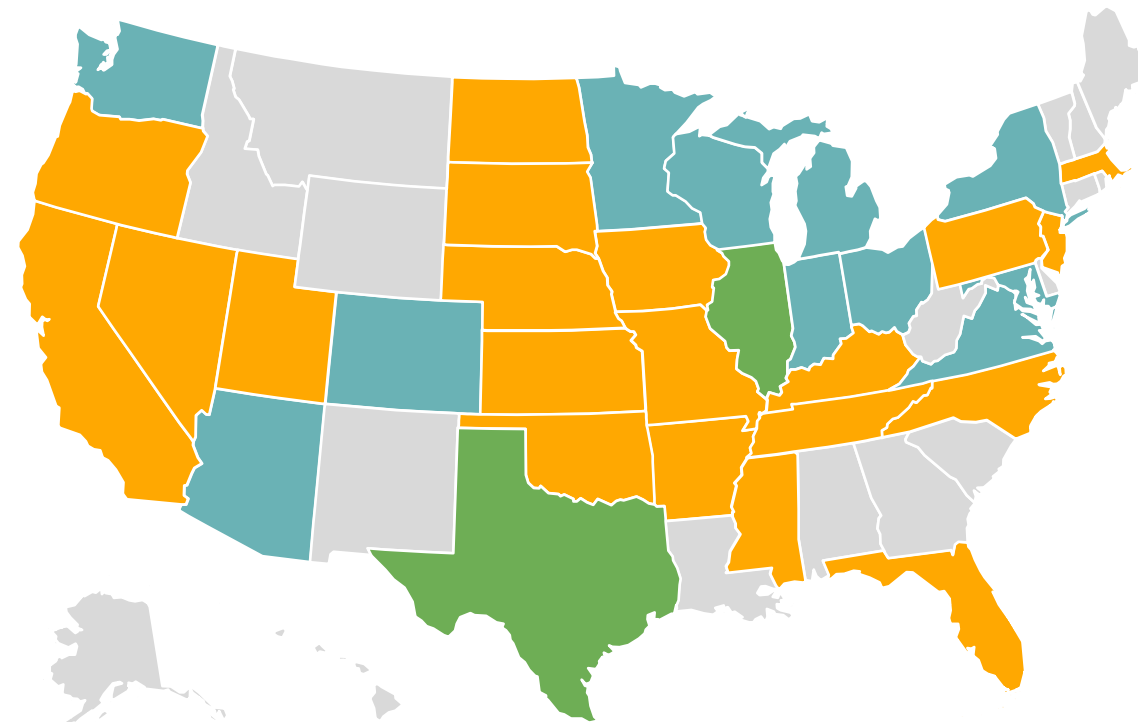
Note Regarding Non-GAAP Measures

This presentation includes financial measures, including adjusted EBITDA and adjusted net income, that are derived on the basis of methodologies other than generally accepted accounting principles ("GAAP"). We offer these measures to assist the users of our financial statements in assessing our financial performance under GAAP, but these measures are non-GAAP measures and investors should not rely on these measures as a substitute for any GAAP measure. In addition, our non-GAAP financial measures may be different from non-GAAP measures used by other companies, limiting their usefulness for comparison purposes. Reconciliations of these measures to the GAAP measures we consider most comparable are included in the Financial Appendix.

Information reconciling forward-looking shop-level profit margin to GAAP financial measures is unavailable to the Company without unreasonable effort. The Company is not able to provide reconciliations of shop-level profit margins to GAAP financial measures because certain items required for such reconciliations are outside of the Company's control and/or cannot be reasonably predicted. These items include but are not limited to impairment charges, gain or loss on asset disposals, shop closure costs, and restructuring costs that are difficult to predict in advance in order to include in a GAAP estimate and may be significant.

Potbelly is the sandwich shop with the craveable quality and good vibes of a first-class dive.

- Strong heritage – founded in a Chicago antique shop in 1977
- ~400 locations today, including 46 franchise shops in the U.S.
- Delicious, craveable food made-to-order with fresh, high-quality ingredients
- Authentic concept:
 - Inviting neighborhood feel
 - Fresh, Fast & Friendly service
 - Unique brand position



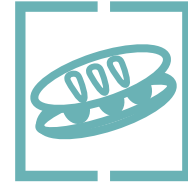
■ <10 Shops

■ 10-50 Shops

■ 50+ Shops

TARGET
Long-Term
Franchise
Driven Growth
of ~2,000 shops

Why Invest in PBPB?



Strong Brand, Differentiated Experience

Authentic fast casual concept, with fresh, fast, & friendly service and high brand recognition across 400+ locations



Rebuilt Leadership Team

Highly experienced executive leadership team with deep restaurant roots and a reinvigorated results-oriented culture



Executing Against Five-Pillar Strategy

Positive momentum driven by renewed focus on food innovation and promotions, leveraging of tech stack to drive an increase in user base and heightened engagement



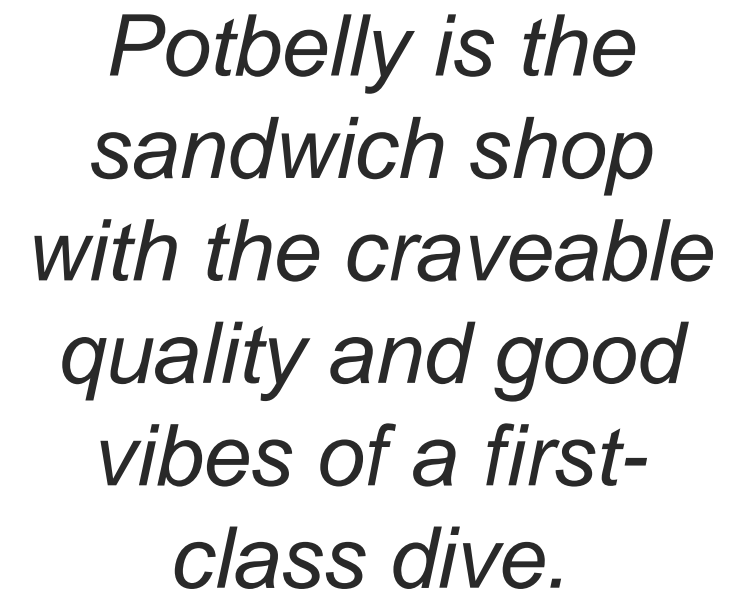
Focus on Volume and Profitability Targets

3-year strategic growth objectives including \$1.3M in annualized AUVs, shop-level margins of 16% with continued recovery across shop portfolio, targeted marketing/advertising and cost discipline



Franchise Growth Acceleration Initiative

Capital light franchise growth targets of refranchising ~25% of company-owned shops, achieving at least 10% franchise unit growth with long-term goal of ~2,000 shops



Strong Leadership Team: Deep Restaurant Experience



Bob Wright
President & CEO



Steve Cirulis
Chief Financial Officer



Adam Noyes
Chief Operating Officer



Adiya Dixon
Chief Legal Officer



David Daniels
Chief Marketing Officer



Scott Swayne
Chief People Officer



Jeffrey Douglas
Chief Information Officer



Larry Strain
Chief Development Officer

Strategic Focus: Traffic-Driven Profitability & Unit Growth



Craveable Quality
Food
at a Great Value



People
Creating
Good
Vibes



Customer
Experiences that
Drive Traffic
Growth



Digitally-Driven
Awareness,
Connection
& Traffic



Franchise
Focused
Development

Potbelly is the sandwich shop with the craveable quality and good vibes of a first-class dive.

Pillar 1: Craveable Quality Food at a Great Value



1



- National rollout of simplified menu was successfully implemented in 2021
- Re-defined sandwich sizes has improved value for consumers
- Increased pick your pair combination options
- Increasing promotions tied to special occasions, events, and LTO menu items such as Cubano Sandwich and Lemon Cheesecake cookie

What'll it be?

SIZE
SKINNY
ORIGINAL
BIG

BREAD
WHITE or MULTIGRAIN
For less bread, try it Thin-Cut
FLAT (Crisp Flatbread)
70 cal less, Original size only

PICK your PAIR
Skinny Sandwich ONLY 8.29
Cup of Soup
Half Salad + Cup of Soup 8.99
Skinny Sandwich + Half Salad 9.49

MEAL DEAL ONLY 2.99
Chips + Reg. Fountain Drink cal 140-510
or a Large Drink for 20¢ more (adds 0-150 cal)

Kids Combo ONLY 4.99
Ages 12 and under. Choose one:
Turkey & Swiss 330 cal
Ham & Swiss 370 cal
Grilled Cheese 100 cal
PB & J 550 cal
Mac & Cheese 310 cal
All items served with:
Bottled Water 0 cal, Apple Sauce 50 cal
Mini Oatmeal Chocolate Chip Cookie 100 cal

TOASTY SANDWICHES

A Wreck*
A meaty fan favorite!
Turkey breast, hickory smoked ham,
Angus roast beef, salami, swiss
SKINNY 5.29 400 cal 7.29 660 cal BO 10.49 980 cal

Avo Turkey
Hand-sliced turkey breast,
swiss, fresh-sliced avocado,
cucumber
SKINNY 5.49 390 cal 8.29 640 cal BO 11.49 950 cal

Steakhouse Beef
Angus roast beef,
crumbled blue cheese,
provolone, horseradish aioli
SKINNY 5.49 470 cal 8.29 790 cal BO 11.49 1180 cal

Pizza Melt*
Pepperoni, old-world capicola,
artichoke meatball, marinara sauce,
provolone, mushrooms, Italian seasoning
SKINNY 5.29 450 cal 7.49 750 cal BO 10.49 1120 cal

BLTA
Applewood smoked bacon,
lettuce, tomato,
and fresh-sliced avocado
SKINNY 5.49 410 cal 8.29 680 cal BO 11.49 1000 cal

Italian
Salami, old-world capicola,
pepperoni, mortadella,
provolone
SKINNY 5.29 440 cal 7.29 730 cal BO 10.49 1070 cal

Chicken Club
All-natural grilled chicken,
applewood smoked bacon,
cheddar
SKINNY 5.49 420 cal 8.29 690 cal BO 11.49 1030 cal

Veggie Melt*
Fresh-sliced avocado,
mushrooms, swiss,
cheddar, provolone
SKINNY 4.99 440 cal 7.29 750 cal BO 10.49 1110 cal

Mediterranean*
All-natural grilled chicken, feta,
hummus, artichoke hearts,
roasted red peppers, cucumbers
SKINNY 5.49 410 cal 7.79 670 cal BO 10.99 1000 cal

Mama's Meatball
Homestyle beef + pork meatballs,
marinara sauce, provolone,
Italian seasoning
SKINNY 5.49 530 cal 7.49 910 cal BO 10.99 1360 cal

...or keep it simple

Turkey Breast & Swiss
cal 330 | 520 | 770

Smoked Ham & Swiss
cal 370 | 590 | 880

Roast Beef & Provolone
cal 380 | 610 | 910

Grilled Chicken & Cheddar
cal 360 | 570 | 850

Tuna Salad & Swiss
cal 440 | 730 | 1080

Chicken Salad & Provolone
cal 440 | 740 | 1110

FREE TOPPINGS
MAYO cal 50-150
DELI MUSTARD cal 10-35
HOT PEPPERS cal 15-40
ONION cal 0-5
TOMATO cal 0-10
PICKLE cal 0
OIL cal 20-60
ITALIAN SEASONING cal 0

EXTRAS
PRICE Varies BY SIZE
BACON cal 60-180
AVOCADO cal 60-180
MUSHROOMS cal 0-10
DOUBLE CHEESE cal 35-470
DOUBLE MEAT cal 60-720
Calorie range varies by sandwich size

SOUPS

Broccoli Cheddar cal 230 | 350
Garden Vegetable cal 70 | 110
Loaded Baked Potato cal 210 | 310
Chicken Pot Pie cal 420 | 560
Chili cal 250 | 370
Mac & Cheese cal 310 | 480

SALADS

Farmhouse cal 400 | 790
All-natural grilled chicken, bacon,
crumbled blue cheese, egg, cucumbers,
tomatoes, field greens, buttermilk ranch
Apple Walnut cal 430 | 850
All-natural grilled chicken,
crumbled blue cheese, grapes, apples,
dried cranberries, candied walnuts,
field greens, balsamic vinaigrette
Powerhouse cal 280 | 560
All-natural grilled chicken, avocado,
hummus, egg, cucumbers, tomatoes,
field greens, fat free vinaigrette
Chicken Salad Salad cal 230 | 460
Chicken salad, provolone +
dried cranberries, cucumbers, tomatoes,
field greens, balsamic vinaigrette

SHAKES

Oreo Cookie 770 cal
Chocolate 770 cal
Strawberry 710 cal
Vanilla 700 cal

2,000 calories a day (1,200 to 1,400 for children ages 4 to 8 years) is used for general nutrition advice, but calorie needs vary. Additional nutrition information available upon request.



Pillar 2: People Creating Good Vibes



2



- Continue to embrace 'Hire for attitude, train for skills' mantra
- Senior Leadership Team complete
- Hours-based labor management improves deployment and employee performance while reducing cost
- Implemented new employee retention and acquisition initiatives including referral bonus programs, pay band modifications, and digital tipping feature
- Balanced score card system at shop level to align incentives around driving traffic and profitable growth



Pillar 3: Customer Experiences that Drive Traffic Growth



3



- Focus on food quality, speed, throughput and cleanliness driving customer satisfaction and sales
- Leveraging two-line kitchen to deliver digital and off premise business while maintaining in shop line speed and experience
- Staffing & training systems and materials simplified and updated for associates and managers
- Successful campaigns with third-party partners like Grubhub and Uber Eats



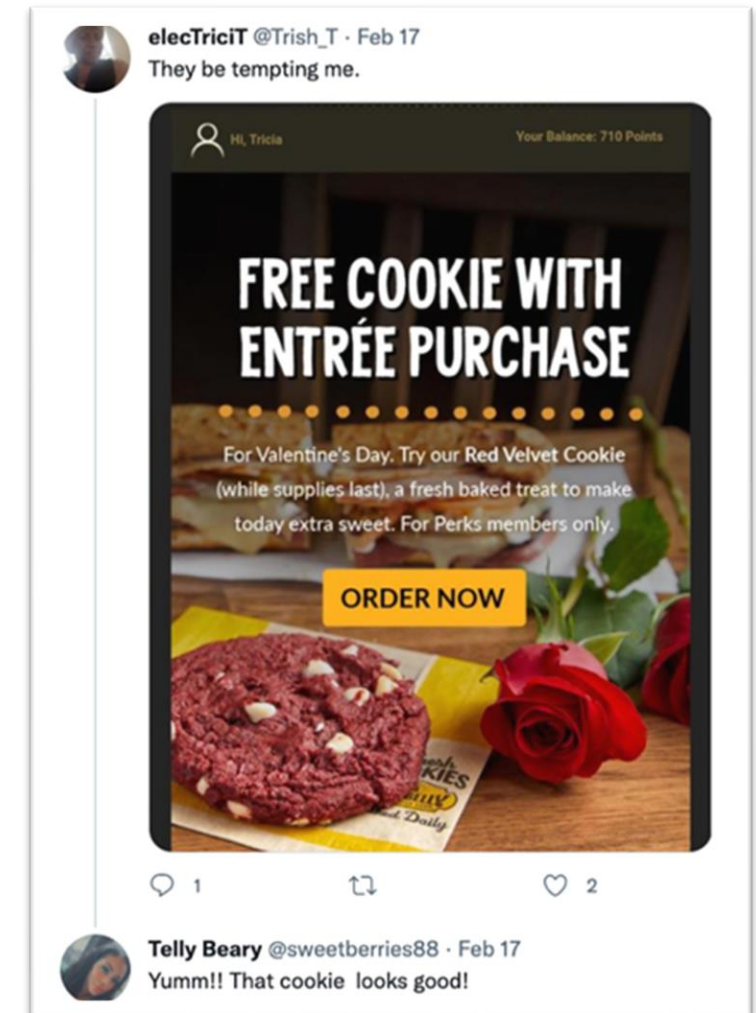
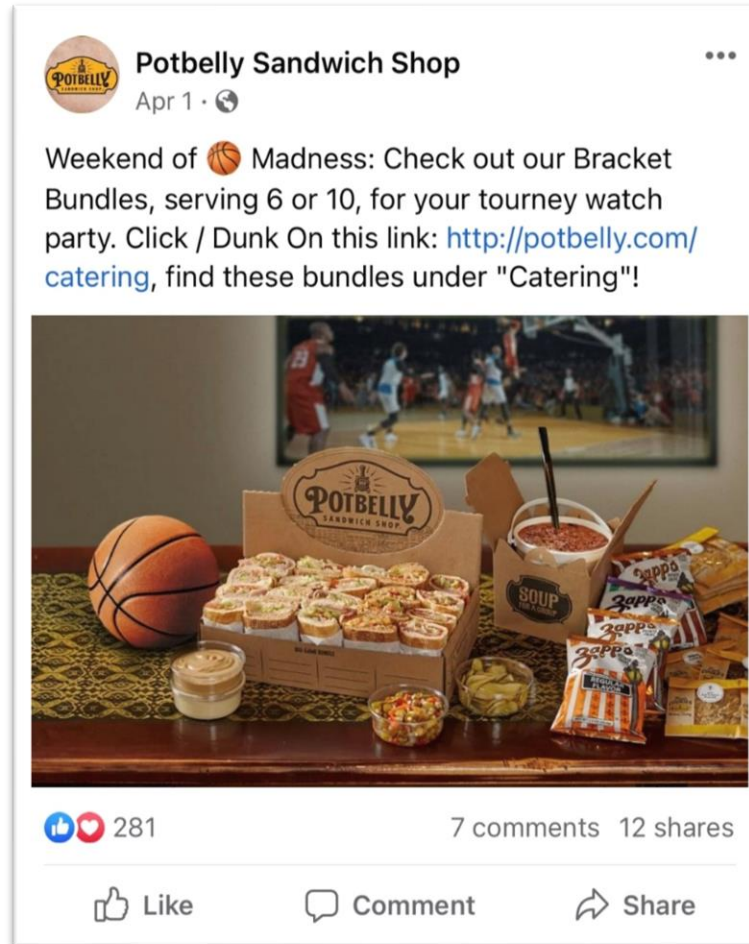
Pillar 4: Digitally-Driven Awareness, Connection & Traffic



4



- Continued positive customer response to app, website and digital order integration
- Upgraded Perks loyalty program allows for more personalization, easy re-ordering capability and targeted offers
- Continual improvements in digital channels, with digital revenue representing ~39% of sales
- Strong digital marketing campaign drives a balance of awareness, traffic, sales, and ROI



Pillar 5: Franchise Focused Development



5



- Escalating new unit development with a focus on franchise development
- Potbelly's brand recognition and growth potential creates unique franchise opportunity
- Improved unit level economics and shop margins bring additional franchise interest
- Market planning drives refranchising and new market development



THE POTBELLY DIFFERENCE

The Franchise with the Highest AUV in its Category*



*According to Nation's Restaurant News

400+
Shops

37
States

45
Year History

FLEXIBLE STORE DESIGN OPTIONS

- Inline
- Drive-thru
- Endcap
- Non-traditional



WHY FRANCHISE WITH POTBELLY?

Multi-Unit Opportunities Available Across Various Markets

- Double digit comp growth
- Excellent sales to investment ratio with optimized shop design
- Diverse menu with multiple dayparts
- Seasoned leadership team with 100 years combined experience

THE IDEAL FRANCHISEE

- Proven experience in operating multi-unit restaurant and retail brands
- Strong business and financial acumen
- Customer service focused
- Engaged in local business community
- Embraces the importance of operating with a diverse team



FINANCIAL CRITERIA

- Minimum liquid assets - 250K of non-borrowed personal resources
- Minimum net worth - 500K per location to be developed



CONTACT OUR FRANCHISE TEAM

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Dwayne Hoffman • dwayne.hoffman@potbelly.com

Three-year Strategic Growth Targets and Long-Term Unit Potential



Volume & Profitability Targets



Franchise Growth Acceleration Initiative



AUVs → \$1.3 Million

- Continued recovery across shop portfolio, specifically CBDs
- Increased marketing, advertising, and loyalty engagement
- Food innovation and LTOs
- Shop technology enhancements

Shop-Level Margins → > 16%

- Achieve sales leverage through execution of Five Pillar strategy
- Effective management of supply chain and food costs
- Labor cost and shop operating expense innovation and discipline
- Inclusive of marketing and advertising expenses

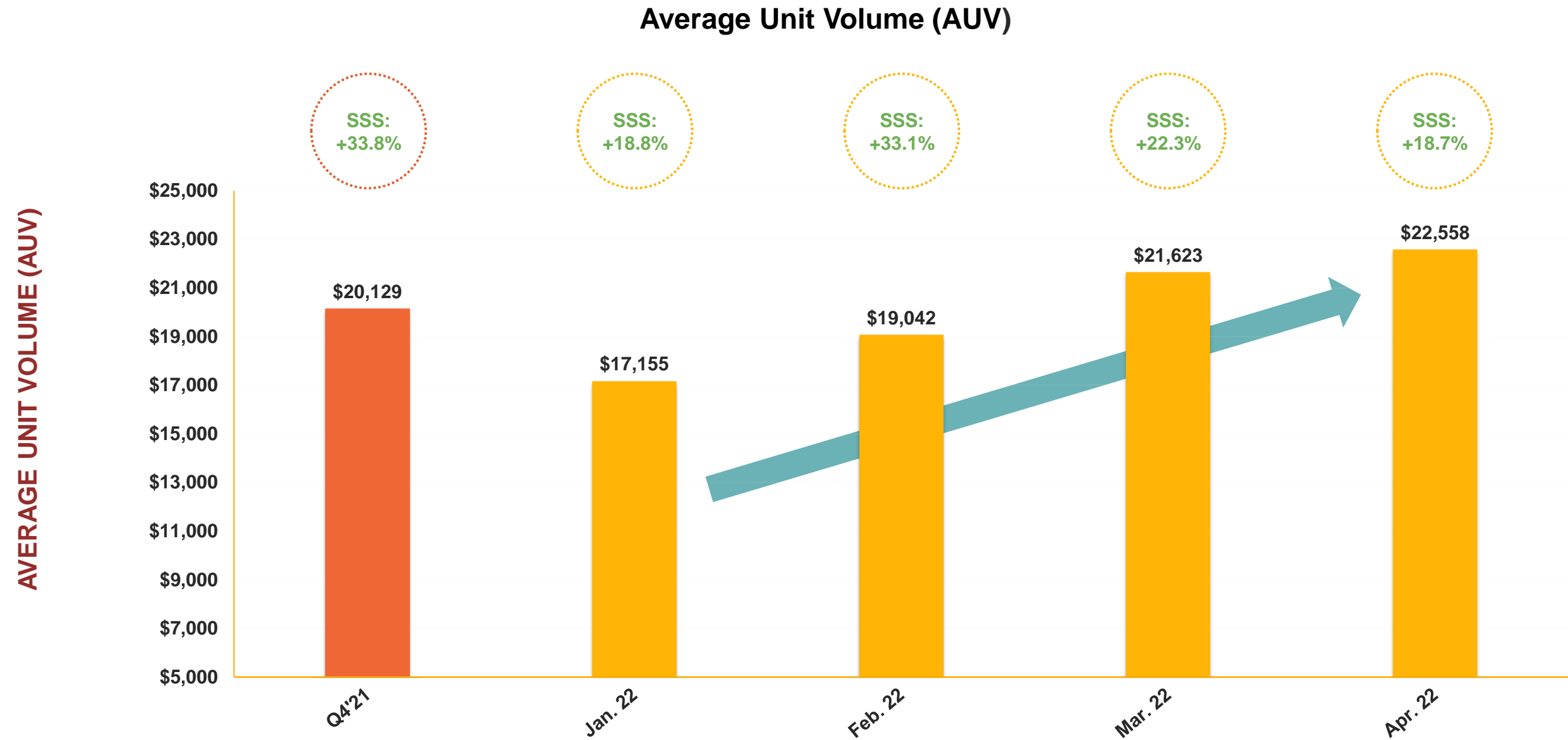
Refranchise ~ 25% of Shops

- Provides catalyst for franchise unit growth
- Attracts high quality franchisees
- Requires commitment for new shop development in market
- Focuses company capital and resources

Franchise Unit Growth → 10%

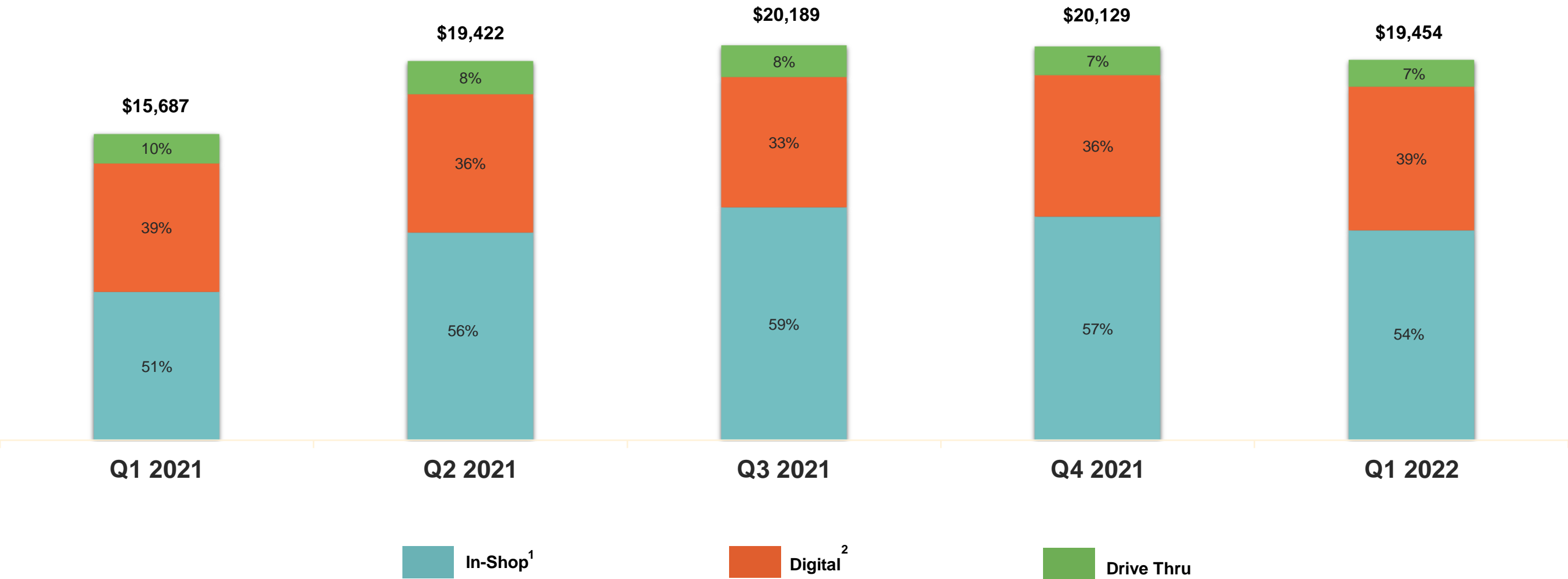
- Market and trade area planning in existing and new markets
- High quality franchisees attracted to Potbelly's competitive advantages
- Execution of Shop Development Area Agreements (SDAAs)
- Shift focus to franchising across entire system

Long-term goal of 2,000 total shops





Average Unit Volume and Order Mode Mix



1. "In-Shop" includes all revenue for orders placed at the counter or via phone/fax.
2. "Digital" includes all revenue for orders placed through the mobile app, website, and third-party delivery partners.

2022 Priorities



Q2 and Full Year Outlook

➤ Continue to Execute Against Five-Pillar Strategy

- Focus remains on Traffic-Driven Profitability

➤ Disciplined Investments in G&A Growth

- Investments in key growth enablers: marketing, development and operations

➤ Strengthen Marketing Presence to Drive Traffic

- Drive further growth of e-commerce conversions
- Further drive guest acquisition and loyalty
- Update brand positioning

➤ Initiating Long-Term Growth Driving Initiatives

- Refranchising as the catalyst for market penetration through multi-unit franchise growth

➤ Full Year 2022 (vs 2021)

- Sales – record AUVs
- SSS – double-digit growth
- Shop-Level Margins– low double-digit

➤ Q2 Guidance

- Revenue of \$110M to \$116M
- Shop-Level Margins of between 9.0% and 11.0%

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APPENDIX:

GAAP to Non-GAAP Reconciliations



Q1 2022 Performance Review: Y/Y



(\$s in millions)

	Q1 2022	Q1 2021
Revenue	\$98.2	\$78.1
Same Store Sales (SSS)	24.4%	(3.1%)
GAAP Net Income (Loss)	(\$7.9)	(\$14.5)
Adjusted Net Income (Loss) ¹	(\$4.4)	(\$8.5)
Adjusted EBITDA ¹	(\$2.3)	(\$6.6)
Shop-level Profit (Loss)	\$4.9	(\$0.2) ²
G&A/Sales	8.7%	9.2% ²
Food, Beverage, & Packaging Costs/Sales	28.0%	27.7%
Labor/Sales	34.1%	36.9%
Other Operating Expenses/Sales	18.6%	18.1% ²
Shop-level Margin ¹	5.0%	(0.2%) ²

- Alignment of Company's internal controls and expenses, with shops now carrying fees based on % of sales to support scaled media spend and align with the shift to a franchised focused organization
- Shop-level margins now include allocation of marketing and advertising expenses

1. See Appendix to this presentation for GAAP to Non-GAAP reconciliations.

2. Q1'21 includes reclassification of marketing and advertising expenses from Advertising and G&A to other operating expenses, which is a component of shop-level profit (loss).

Q1 Performance Review: Adjusted Net Income (Y/Y)



(\$s in millions)

	Q1 2022	Q1 2021
Net Loss	(\$7.9)	(\$14.5)
Impairment, Disposals & Closures	\$1.3	\$3.1
Income Tax Adjustments	\$2.2	\$2.9
Adjusted Net Loss	(\$4.4)	(\$8.5)

Q1 22 Performance Review: Adjusted EBITDA (Y/Y)



(\$s in millions)

	Q1 2022	Q1 2021
Net Loss	(\$7.9)	(\$14.5)
Depreciation Expense	\$3.1	\$4.2
Interest Expense	\$0.3	\$0.3
Income Tax Expense	\$0.2	\$0.1
EBITDA	(\$4.3)	(\$10.0)
Impairment, Disposals & Closures	\$1.3	\$3.1
Stock Compensation	\$0.7	\$0.2
Adjusted EBITDA	(\$2.3)	(\$6.6)

Note Regarding Non-GAAP Measures

We prepare our financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"). Within this press release, we make reference to EBITDA, adjusted EBITDA, adjusted diluted EPS, adjusted net loss, shop-level profit, and shop-level profit margin, which are non-GAAP financial measures. The Company includes these non-GAAP financial measures because management believes they are useful to investors in that they provide for greater transparency with respect to supplemental information used by management in its financial and operational decision making.

Management uses adjusted EBITDA, adjusted net income and adjusted diluted EPS to evaluate the Company's performance and in order to have comparable financial results to analyze changes in our underlying business from quarter to quarter. Adjusted EBITDA, adjusted net income and adjusted diluted EPS exclude the impact of certain non-cash charges and other special items that affect the comparability of results in past quarters. Management uses shop-level profit and shop-level profit margin as key metrics to evaluate the profitability of incremental sales at our shops, to evaluate our shop performance across periods and to evaluate our shop financial performance against our competitors.

Accordingly, the Company believes the presentation of these non-GAAP financial measures, when used in conjunction with GAAP financial measures, is a useful financial analysis tool that can assist investors in assessing the Company's operating performance and underlying prospects. This analysis should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. This analysis, as well as the other information in this press release, should be read in conjunction with the Company's financial statements and footnotes contained in the documents that the Company files with the U.S. Securities and Exchange Commission. The non-GAAP financial measures used by the Company in this press release may be different from the methods used by other companies. For more information on the non-GAAP financial measures, please refer to the table, "Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures."

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Definitions

The following definitions apply to these terms as used throughout this presentation:

- **Revenues** – represents net company-operated sandwich shop sales and our franchise royalties and fees. Net company-operated shop sales consist of food and beverage sales, net of promotional allowances and employee meals. Franchise royalties and fees consist of an initial franchise fee, a franchise development agreement fee and royalty income from the franchisee.
- **Company-operated comparable store-sales or same-store traffic**– represents the change in year-over-year sales or transactions for the comparable company-operated store base open for 15 months or longer.
- **Average Unit Volumes (AUV)** – represents the average sales of all company-operated shops which reported sales during the associated time period.
- **EBITDA** – represents income before depreciation and amortization expense, interest expense and the provision for income taxes.
- **Adjusted EBITDA** – represents income before depreciation and amortization expense, interest expense and the provision for income taxes, adjusted to eliminate the impact of other items, including certain non-cash and other items that we do not consider representative of our ongoing operating performance.
- **Shop-level profit (loss)** – represents income (loss) from operations excluding franchise royalties and fees, franchise marketing expenses, general and administrative expenses, depreciation expense, pre-opening costs, restructuring costs and impairment, loss on the disposal of property and equipment and shop closures.
- **Shop-level profit (loss) margin** – represents shop-level profit expressed as a percentage of net company-operated sandwich shop sales.
- **Adjusted net income (loss)** – represents net income (loss), adjusted to eliminate the impact of restructuring costs, impairment, loss on the disposal of property and equipment, shop closures, and other items we do not consider representative of our ongoing operating performance, including the income tax effects of those adjustments.

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