

**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 September 28, 2025

OR

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

Commission file number 001-38250



FAT Brands Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

82-1302696
(I.R.S. Employer
Identification No.)

9720 Wilshire Blvd., Suite 500
Beverly Hills, CA 90212
(Address of principal executive offices, including zip code)

(310) 319-1850
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	FAT	The Nasdaq Stock Market LLC
Class B Common Stock, par value \$0.0001 per share	FATBB	The Nasdaq Stock Market LLC
Series B Cumulative Preferred Stock, par value \$0.0001 per share	FATBP	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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

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 Exchange Act Rule 12b-2). Yes ☐ No ☒

As of November 7, 2025, there were 16,668,520 shares of Class A common stock and 1,270,805 shares of Class B common stock outstanding.

FAT BRANDS INC.
QUARTERLY REPORT ON FORM 10-Q
September 28, 2025

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PART I — FINANCIAL INFORMATION (UNAUDITED)
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FAT BRANDS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 28, 2025	December 29, 2024
		Audited
Assets		
Current assets		
Cash	\$ 2,052	\$ 23,383
Restricted cash	11,965	25,239
Accounts receivable, net	13,986	19,422
Inventory	7,449	8,420
Assets classified as held-for-sale	—	370
Other current assets	13,692	11,200
Total current assets	49,144	88,034
Non-current restricted cash	8,641	18,767
Operating lease right-of-use assets	188,875	198,091
Goodwill	285,337	285,337
Other intangible assets, net	584,004	595,689
Property and equipment, net	87,185	97,390
Other assets	7,440	5,870
Total assets	\$ 1,210,626	\$ 1,289,178
Liabilities and Stockholders' Deficit		
Liabilities		
Current liabilities		
Accounts payable	\$ 47,689	\$ 38,725
Accrued expenses and other liabilities	88,616	68,084
Deferred income, current portion	2,162	2,275
Accrued advertising	9,177	5,307
Accrued interest payable	38,999	24,837
Dividend payable on preferred shares	8,868	1,389
Liabilities related to assets classified as held-for-sale	—	393
Operating lease liability, current portion	15,359	16,229
Redeemable preferred stock	91,836	91,836
Long-term debt, current portion	1,263,470	49,241
Total current liabilities	1,566,176	298,316
Deferred income, net of current portion	18,331	20,347
Deferred income tax liabilities, net	15,140	13,772
Operating lease liability, net of current portion	198,994	200,132
Long-term debt, net of current portion	2,459	1,208,997
Other liabilities	3,327	3,326
Total liabilities	1,804,427	1,744,890
Commitments and contingencies (Note 13)		

Stockholders' deficit		
Preferred stock and additional paid-in-capital, \$0.0001 par value; 15,000,000 shares authorized; 4,493,582 shares issued and outstanding at September 28, 2025 and 3,591,706 shares issued and outstanding at December 29, 2024; liquidation preference \$25 per share	39,144	40,837
Class A common stock and Class B common stock and additional paid-in capital as of September 28, 2025: \$0.0001 par value per share; 51,600,000 shares authorized (Class A 50,000,000, Class B 1,600,000); 17,885,205 shares issued and outstanding (Class A 16,614,400, Class B 1,270,805). Common stock and additional paid-in capital as of December 29, 2024: \$0.0001 par value; 51,600,000 shares authorized; 17,254,683 shares issued and outstanding (Class A 15,983,878, Class B 1,270,805)	(13,186)	(37,925)
Accumulated deficit	(611,782)	(458,624)
Stockholders' deficit attributable to FAT Brands Inc.	(585,824)	(455,712)
Non-controlling interest	(7,977)	—
Total stockholders' deficit	(593,801)	(455,712)
Total liabilities and stockholders' deficit	\$ 1,210,626	\$ 1,289,178

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Revenue				
Royalties	\$ 21,582	\$ 22,353	\$ 65,524	\$ 67,618
Restaurant sales	96,643	99,238	298,446	312,587
Advertising fees	9,143	9,708	28,573	29,569
Factory revenues	9,649	9,490	28,711	28,599
Franchise fees	1,503	2,576	3,817	5,170
Other revenue	1,489	—	3,792	3,829
Total revenue	140,009	143,365	428,863	447,372
Costs and expenses				
General and administrative expense	42,665	34,481	120,125	94,044
Cost of restaurant and factory revenues	94,613	96,792	288,760	295,955
Depreciation and amortization	7,909	10,736	26,682	31,176
Refranchising loss (gain)	24	157	(7)	1,840
Advertising fees	12,164	10,032	34,787	37,275
Total costs and expenses	157,375	152,198	470,347	460,290
Loss from operations	(17,366)	(8,833)	(41,484)	(12,918)
Other (expense) income, net				
Interest expense	(37,101)	(31,109)	(103,496)	(90,318)
Interest expense related to preferred shares	(4,418)	(4,418)	(13,253)	(13,253)
Net gain on extinguishment of debt	357	—	206	427
Other income (loss), net	173	(252)	218	(800)
Total other expense, net	(40,989)	(35,779)	(116,325)	(103,944)
Loss before income tax provision	(58,355)	(44,612)	(157,809)	(116,862)
Income tax provision	1,100	143	3,326	5,568
Net loss	(59,455)	(44,755)	(161,135)	(122,430)
Less: Net loss attributable to non-controlling interest	1,236	—	2,759	—
Net loss attributable to FAT Brands Inc.	\$ (58,219)	\$ (44,755)	\$ (158,376)	\$ (122,430)
Net loss attributable to FAT Brands Inc.	\$ (58,219)	\$ (44,755)	\$ (158,376)	\$ (122,430)
Dividends on preferred shares	(2,317)	(1,935)	(6,858)	(5,736)
	\$ (60,536)	\$ (46,690)	\$ (165,234)	\$ (128,166)
Basic and diluted loss per common share	\$ (3.39)	\$ (2.74)	\$ (9.30)	\$ (7.54)
Basic and diluted weighted average shares outstanding	17,872,052	17,052,007	17,758,765	16,999,889
Cash dividends declared per common share	\$ —	\$ 0.14	\$ —	\$ 0.42

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(in thousands)

For the Thirty-Nine Weeks Ended September 28, 2025

	Common Stock						Preferred Stock				Accumulated Deficit	Stockholders' deficit attributable to FAT Brands Inc.	Non-Controlling Interest	Total Deficit
	Class A Shares	Class B Shares	Class A Par Value	Class B Par Value	Additional Paid-In Capital	Total Common Stock	Shares	Par Value	Additional Paid-In Capital	Total Preferred Stock				
Balance at December 29, 2024	15,983,878	1,270,805	\$ 2	\$ —	\$ (37,927)	\$ (37,925)	3,951,706	\$ —	\$ 40,837	\$ 40,837	\$ (458,624)	\$ (455,712)	\$ —	\$ (455,712)
Net loss	—	—	—	—	—	—	—	—	—	—	(158,376)	(158,376)	(2,759)	(161,135)
Issuance of common and preferred stock	630,522	—	—	—	436	436	541,876	—	5,165	5,165	—	5,601	—	5,601
Issuance of warrants	—	—	—	—	7,631	7,631	—	—	—	—	—	7,631	—	7,631
Share-based compensation	—	—	—	—	16,673	16,673	—	—	—	—	—	16,673	—	16,673
Dividends on Series B preferred stock	—	—	—	—	—	—	—	—	(6,858)	(6,858)	—	(6,858)	—	(6,858)
Dividend of Twin Hospitality Group Inc. Class A common stock	—	—	—	—	—	—	—	—	—	—	5,218	5,218	(5,218)	—
Balance at September 28, 2025	<u>16,614,400</u>	<u>1,270,805</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ (13,188)</u>	<u>\$ (13,186)</u>	<u>4,493,582</u>	<u>\$ —</u>	<u>\$ 39,144</u>	<u>\$ 39,144</u>	<u>\$ (611,782)</u>	<u>\$ (585,824)</u>	<u>\$ (7,977)</u>	<u>\$ (593,801)</u>

For the Thirty-Nine Weeks Ended September 29, 2024

	Common Stock						Preferred Stock				Accumulated Deficit	Stockholders' deficit attributable to FAT Brands Inc.	Non-Controlling Interest	Total Deficit
	Class A Shares	Class B Shares	Class A Par Value	Class B Par Value	Additional Paid-In Capital	Total Common Stock	Shares	Par Value	Additional Paid-In Capital	Total Preferred Stock				
Balance at December 31, 2023	15,629,294	1,270,805	\$ 2	\$ —	\$ (31,191)	\$ (31,189)	3,591,804	\$ —	\$ 44,103	\$ 44,103	\$ (268,777)	\$ (255,863)	\$ —	\$ (255,863)
Net loss	—	—	—	—	—	—	—	—	—	—	(122,430)	(122,430)	—	(122,430)
Issuance of common and preferred stock	206,369	—	—	—	322	322	190,655	—	2,739	2,739	—	3,061	—	3,061
Share-based compensation	—	—	—	—	1,961	1,961	—	—	—	—	—	1,961	—	1,961
Dividends paid on common stock	—	—	—	—	(7,143)	(7,143)	—	—	—	—	—	(7,143)	—	(7,143)
Dividends on Series B preferred stock	—	—	—	—	—	—	—	—	(5,736)	(5,736)	—	(5,736)	—	(5,736)
Balance at September 29, 2024	<u>15,835,663</u>	<u>1,270,805</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ (36,051)</u>	<u>\$ (36,049)</u>	<u>3,782,459</u>	<u>\$ —</u>	<u>\$ 41,106</u>	<u>\$ 41,106</u>	<u>\$ (391,207)</u>	<u>\$ (386,150)</u>	<u>\$ —</u>	<u>\$ (386,150)</u>

For the Thirteen Weeks Ended September 28, 2025

	Common Stock						Preferred Stock						Stockholders' deficit attributable to FAT Brands Inc.	Non-Controlling Interest	Total Deficit
	Class A Shares	Class B Shares	Class A Par Value	Class B Par Value	Additional Paid-In Capital	Total Common Stock	Shares	Par Value	Additional Paid-In Capital	Total Preferred Stock	Accumulated Deficit				
Balance at June 29, 2025	16,551,303	1,270,805	\$ 2	\$ —	\$ (24,359)	\$ (24,357)	4,493,582	\$ —	\$ 41,461	\$ 41,461	\$ (553,563)		\$ (536,459)	\$ (6,741)	\$ (543,200)
Net loss	—	—	—	—	—	—	—	—	—	—	(58,219)		(58,219)	(1,236)	(59,455)
Issuance of common and preferred stock	63,097	—	—	—	—	—	—	—	—	—	—		—	—	—
Issuance of warrants	—	—	—	—	7,631	7,631	—	—	—	—	—		7,631	—	7,631
Share-based compensation	—	—	—	—	3,540	3,540	—	—	—	—	—		3,540	—	3,540
Dividends on Series B preferred stock	—	—	—	—	—	—	—	—	(2,317)	(2,317)	—		(2,317)	—	(2,317)
Balance at September 28, 2025	16,614,400	1,270,805	\$ 2	\$ —	\$ (13,188)	\$ (13,186)	4,493,582	\$ —	\$ 39,144	\$ 39,144	\$ (611,782)		\$ (585,824)	\$ (7,977)	\$ (593,801)

For the Thirteen Weeks Ended September 29, 2024

	Common Stock						Preferred Stock						Stockholders' deficit attributable to FAT Brands Inc.	Non-Controlling Interest	Total Deficit
	Class A Shares	Class B Shares	Class A Par Value	Class B Par Value	Additional Paid-In Capital	Total Common Stock	Shares	Par Value	Additional Paid-In Capital	Total Preferred Stock	Accumulated Deficit				
Balance at June 30, 2024	15,742,515	1,270,805	\$ 2	\$ —	\$ (34,422)	\$ (34,420)	3,712,883	\$ —	\$ 42,232	\$ 42,232	\$ (346,452)		\$ (338,640)	\$ —	\$ (338,640)
Net loss	—	—	—	—	—	—	—	—	—	—	(44,755)		(44,755)	—	(44,755)
Issuance of common and preferred stock	93,148	—	—	—	218	218	69,576	—	809	809	—		1,027	—	1,027
Share-based compensation	—	—	—	—	539	539	—	—	—	—	—		539	—	539
Dividends paid on common stock	—	—	—	—	(2,386)	(2,386)	—	—	—	—	—		(2,386)	—	(2,386)
Dividends on Series B preferred stock	—	—	—	—	—	—	—	—	(1,935)	(1,935)	—		(1,935)	—	(1,935)
Balance at September 29, 2024	15,835,663	1,270,805	\$ 2	\$ —	\$ (36,051)	\$ (36,049)	3,782,459	\$ —	\$ 41,106	\$ 41,106	\$ (391,207)		\$ (386,150)	\$ —	\$ (386,150)

The accompanying notes are an integral part of these condensed consolidated financial statements.

FAT BRANDS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

For the Thirty-Nine Weeks Ended September 28, 2025 and September 29, 2024

	2025	2024
Cash flows from operating activities:		
Net loss	\$ (161,135)	\$ (122,430)
Adjustments to reconcile net loss to net cash used in operating activities:		
Deferred income taxes	1,368	3,751
Depreciation and amortization	26,682	31,176
Share-based compensation	16,673	1,961
Operating lease assets and liabilities	(63)	3,581
Accretion of loan fees and interest	14,427	17,036
Impairment of right-of-use assets	6,878	—
Impairment of property and equipment	1,407	—
Net gain on extinguishment of debt	(206)	(427)
Provision for bad debts	2,986	787
Loss on disposal of fixed assets	117	258
Change in:		
Accounts receivable	2,450	2,104
Inventory	971	838
Other current and noncurrent assets	(1,382)	(4,217)
Deferred income	(2,130)	(1,457)
Accounts payable	8,963	8,246
Accrued expenses and other liabilities	5,771	7,793
Accrued advertising	3,870	(789)
Accrued interest payable	14,162	6,763
Other current and noncurrent liabilities	3,519	(810)
Total adjustments	106,463	76,594
Net cash used in operating activities	(54,672)	(45,836)
Cash flows from investing activities:		
Purchases of property and equipment	(9,277)	(22,210)
Proceeds from sale of property and equipment	4,432	—
Payments received on notes receivable	121	247
Payment of acquisition purchase price payable	—	(4,000)
Net cash used in investing activities	(4,724)	(25,963)
Cash flows from financing activities:		
Proceeds from borrowings, net of issuance costs	72,971	110,879
Repayments of borrowings	(60,737)	(54,421)
Proceeds from issuance of common and preferred shares	5,352	3,061
Dividends paid on common shares	—	(7,143)
Dividends paid on preferred shares	(2,921)	(5,736)
Net cash provided by financing activities	14,665	46,640
Net decrease in cash and restricted cash	(44,731)	(25,159)
Cash and restricted cash at beginning of the period	67,389	91,903
Cash and restricted cash at end of the period	\$ 22,658	\$ 66,744
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 88,362	\$ 88,047
Cash paid for income taxes	\$ 1,560	\$ 1,944
Supplemental schedule of non-cash financing activity:		
Dividend of Twin Hospitality Group Inc. Class A common stock	\$ 5,218	\$ —
Issuance of warrants	\$ 7,631	\$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND RELATIONSHIPS

Organization and Nature of Business

FAT Brands Inc. (the "Company" or "FAT") is a leading multi-brand restaurant company that develops, markets, acquires and manages quick-service, fast casual, casual dining and polished casual dining restaurant concepts around the world. As of September 28, 2025, the Company owned eighteen restaurant brands: Round Table Pizza, Fatburger, Marble Slab Creamery, Johnny Rockets, Fazoli's, Twin Peaks, Smokey Bones, Great American Cookies, Hot Dog on a Stick, Buffalo's Cafe & Express, Hurricane Grill & Wings, Pretzelmaker, Elevation Burger, Native Grill & Wings, Yalla Mediterranean and Ponderosa and Bonanza Steakhouses. As of September 28, 2025, the Company had approximately 2,300 locations open and under construction, of which approximately 92% were franchised.

Each franchising subsidiary licenses the right to use its brand name and provides franchisees with operating procedures and methods of merchandising. Upon signing a franchise agreement, the franchisor is committed to providing training, some supervision and assistance and access to operations manuals. As needed, the franchisor will also provide advice and written materials concerning techniques of managing and operating the restaurants.

The Company's operations have historically been comprised primarily of franchising a growing portfolio of restaurant brands. This growth strategy is centered on expanding the footprint of existing brands and acquiring new brands through a centralized management organization which provides substantially all executive leadership, marketing, training and accounting services. As part of these ongoing franchising efforts, the Company will, from time to time, make opportunistic acquisitions of operating restaurants and may convert them to franchise locations. During the refranchising period, the Company may operate the restaurants and classify the operational activities as refranchising gains or losses and the assets and associated liabilities as held-for sale. Through recent acquisitions, the Company also operates "company-owned" restaurant locations of certain brands.

Going Concern

The Company recognized loss from operations of \$41.5 million and \$12.9 million during the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively. The Company had negative cash flow from operations of \$54.7 million and \$45.8 million during the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively. The Company has a history of net losses and an accumulated deficit of \$611.8 million as of September 28, 2025. Additionally, the Company had negative working capital of \$1,517.0 million. Of this amount, \$91.8 million represents redeemable preferred stock as discussed in Note 9. Since the Company did not deliver the applicable cash proceeds at the related due dates, the amount accrues interest until the payments are completed. The Company had \$2.1 million of unrestricted cash at September 28, 2025, \$73.4 million of issued but not sold aggregate principal amount of fixed rate secured notes and \$78.5 million aggregate principal amount of repurchased but not re-sold fixed rate secured notes (see Note 8).

As discussed in Note 8, as of the date of the filing of this Quarterly Report on Form 10-Q, the Company was in default under its Securitization Notes in addition to triggering a warm back-up manager trigger event and rapid amortization event in one or more of the securitizations. As a result, the noteholders could remove FAT Brands and/or Twin Hospitality, as applicable, as manager of the Securitization Notes, cause the outstanding principal and interest under any or all of the Securitization Notes to be due and payable on an accelerated basis, and could allow the noteholders to foreclose on the collateral securing the Securitization Notes. As a result, the Company has classified the aggregate principal amount of its Securitization Notes within current liabilities in its condensed consolidated balance sheet as of September 28, 2025.

The Company does not currently have amounts on hand to pay such principal and maturity amounts, and any such acceleration or foreclosure would materially and adversely affect the Company's business, financial condition and liquidity, and could cause the Company to seek to reorganize through a bankruptcy proceeding.

These factors create substantial doubt about the Company's ability to continue as a going concern for the twelve-month period subsequent to the date that these financial statements are issued. While the Company believes its plans to restructure its indebtedness or obtain relief from the noteholders can alleviate the conditions that raise substantial doubt about the Company's ability to continue as a going concern, these plans are not within the Company's control and cannot be assessed as being probable of occurring. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Accordingly, the financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation and net income (loss) has been reduced by the portion attributable to non-controlling interest (See Note 16). Our revenues are derived primarily from two sales channels, franchised restaurants and company-owned locations, which we operate as one reportable segment.

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (“GAAP”) for complete financial statements. In the opinion of the Company, all adjustments considered necessary for the fair presentation of the Company’s results of operations, financial position and cash flows for the periods presented have been included and are of a normal, recurring nature. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s 2024 Annual Report on Form 10-K for the fiscal year ended December 29, 2024 filed with the SEC on February 28, 2025.

Nature of operations – The Company operates on a 52-week calendar and its fiscal year ends on the last Sunday of the calendar year. Consistent with industry practice, the Company measures its stores’ performance based upon 7-day work weeks. Using the 52-week cycle ensures consistent weekly reporting for operations and ensures that each week has the same days since certain days are more profitable than others. The use of this fiscal year means a 53rd week is added to the fiscal year every 5 or 6 years. In a 52-week year, all four quarters are comprised of 13 weeks. In a 53-week year, one extra week is added to the fourth quarter. Fiscal years 2025 and 2024 are both a 52-week year.

Use of estimates in the preparation of the condensed consolidated financial statements – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Significant estimates include the determination of fair values of goodwill and other intangible assets, allowances for uncollectible notes receivable and accounts receivable, and the valuation allowance related to deferred tax assets. Estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, Income Statement —Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. In January 2025, the FASB issued update 2025-01—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. The amendment requires disclosure in the notes to financial statements of specified information about certain costs and expenses. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting within annual reporting periods beginning after December 15, 2027. The update should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments require that public business entities on an annual basis disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The amendments also require that all entities disclose on an annual basis the income taxes paid disaggregated by jurisdiction. The amendments eliminate the requirement for all entities to disclose the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months or make a statement that an estimate of the range cannot be made. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied on a prospective basis. Retrospective application is permitted. The Company plans to adopt the standard when it becomes effective for us beginning in our fiscal year 2025 annual financial statements, and we expect the adoption of this standard will impact certain of our income tax disclosures.

Recent Legislation Disclosure

On July 4, 2025, the “One Big Beautiful Bill Act” was signed into law, which includes significant changes to federal tax law and other regulatory provisions that may impact the Company. The Company is currently evaluating the provisions of the new law and the potential effects on its financial position, results of operations, and cash flows. As of the date of these financial statements, the Company has not completed its assessment, and therefore no adjustments have been made. Additional disclosures will be provided in future periods as the impact of the legislation is determined.

NOTE 3. REFRANCHISING

As part of its ongoing franchising efforts, the Company may, from time to time, sell operating restaurants built or acquired by the Company in order to convert them to franchise locations or acquire existing franchised locations to resell them to another franchisee across all of its brands.

The following assets used in the operation of certain restaurants meet all of the criteria requiring that they be classified as held-for-sale, and have been classified accordingly in the accompanying condensed consolidated balance sheets as of September 28, 2025 and December 29, 2024 (in millions):

	September 28, 2025	December 29, 2024
Operating lease right-of-use assets	\$ —	\$ 0.4
Total	\$ —	\$ 0.4

Operating lease liabilities related to the assets classified as held-for-sale in the amount of \$0.4 million have been classified as current liabilities in the accompanying condensed consolidated balance sheets as of December 29, 2024.

The following table highlights the operating results of the Company's refranchising program (in millions):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Restaurant costs and expenses, net of revenue	\$ —	\$ 0.2	\$ —	\$ 0.8
Loss on store sales or closures	—	—	—	1.0
Refranchising loss	\$ —	\$ 0.2	\$ —	\$ 1.8

NOTE 4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following (in millions):

	September 28, 2025	December 29, 2024
Real estate	\$ 91.0	\$ 89.6
Equipment	55.0	57.3
	146.0	146.9
Accumulated depreciation	(58.8)	(49.5)
Property and equipment, net	\$ 87.2	\$ 97.4

Depreciation expense during the thirteen weeks ended September 28, 2025 and September 29, 2024 was \$3.5 million and \$5.9 million, respectively. Depreciation expense during the thirty-nine weeks ended September 28, 2025 and September 29, 2024 was \$13.5 million and \$17.5 million, respectively.

Upon retirement or other disposal of property and equipment, the cost and related amounts of accumulated depreciation are eliminated from the asset and accumulated depreciation accounts, respectively. The difference, if any, between the net asset value and the proceeds, is recorded in earnings. Loss on disposals during the thirty-nine weeks ended September 28, 2025 and September 29, 2024 was \$0.1 million and \$0.3 million, respectively. Loss on disposals during the thirteen weeks ended September 28, 2025 and September 29, 2024 was \$0.04 million and \$0.1 million, respectively.

The Company recognized non-cash impairment of \$1.4 million during the thirteen and thirty-nine weeks ended September 28, 2025. The impairment expense is included in General and administrative expense on the Consolidated Statements of Operations.

NOTE 5. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Changes in Carrying Value of Goodwill and Other Intangible Assets (in millions)

	Amortizing Intangible Assets	Non-Amortizing Intangible Assets	
		Goodwill	Trademarks
December 29, 2024	\$ 142.0	\$ 285.3	\$ 453.7
Amortization	(11.7)	—	—
September 28, 2025	\$ 130.3	\$ 285.3	\$ 453.7

Gross Carrying Value and Accumulated Amortization of Other Intangible Assets (in millions)

	September 28, 2025			December 29, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets						
Franchise agreements	\$ 118.3	\$ (41.3)	\$ 77.0	\$ 118.3	\$ (34.2)	\$ 84.1
Customer relationships	73.9	(23.9)	50.0	73.9	(19.6)	54.3
Other	4.0	(0.7)	3.3	4.1	(0.5)	3.6
	<u>\$ 196.2</u>	<u>\$ (65.9)</u>	<u>\$ 130.3</u>	<u>\$ 196.3</u>	<u>\$ (54.3)</u>	<u>\$ 142.0</u>
Non-amortizing intangible assets						
Trademarks			453.7			453.7
Total amortizing and non-amortizing intangible assets, net			<u>\$ 584.0</u>			<u>\$ 595.7</u>

Amortization expense for the thirteen weeks ended September 28, 2025 and September 29, 2024 was \$3.9 million and \$4.3 million, respectively. Amortization expense for the thirty-nine weeks ended September 28, 2025 and September 29, 2024 was \$11.7 million and \$12.1 million, respectively.

The expected future amortization of definite-life intangible assets by fiscal year (in millions):

Fiscal Year:	
Remainder of 2025	\$ 3.9
2026	15.6
2027	15.6
2028	15.9
2029	15.0
Thereafter	64.3
Total	<u>\$ 130.3</u>

NOTE 6. INCOME TAXES

The following table presents the Company's provision for income taxes (in millions):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Provision for income taxes	\$ 1.1	\$ 0.1	\$ 3.3	\$ 5.6
Effective tax rate	(1.9)%	(0.3)%	(2.1)%	(4.8)%

The difference between the statutory tax rate of 21% and the effective tax rates of (1.9)% and (2.1)% in the thirteen and thirty-nine weeks ended September 28, 2025, respectively, was primarily due to increases in the valuation allowance, nondeductible expenses and the impact of state income taxes.

The difference between the statutory tax rate of 21% and the effective tax rates of (0.3)% and (4.8)% in the thirteen and thirty-nine weeks ended September 29, 2024, respectively, was primarily due to increases in the valuation allowance, nondeductible expenses and the impact of state income taxes.

On July 4, 2025, the United States Congress passed budget reconciliation bill H.R. 1 referred to as the One Big Beautiful Bill Act ("OBBBA"). The OBBBA contains several changes to corporate taxation including modifications to capitalization of

research and development expenses, limitations on deductions for interest expense and accelerated fixed asset depreciation. The Company is still in the process of evaluating the OBBBA and an estimate of the financial impact cannot be made at this time.

NOTE 7. LEASES

The Company recognized lease expense of \$8.0 million for the thirteen weeks ended September 28, 2025 and September 29, 2024. The Company recognized lease expense of \$23.3 million and \$24.0 million for the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively.

Operating lease right-of-use assets and operating lease liabilities relating to the operating leases are as follows (in millions):

	September 28, 2025	December 29, 2024
Operating lease right-of-use assets	\$ 188.9	\$ 198.1
Right-of-use assets classified as held-for-sale	—	0.4
Total right-of-use assets	<u>\$ 188.9</u>	<u>\$ 198.5</u>
Operating lease liabilities	\$ 214.4	\$ 216.4
Lease liabilities related to assets held-for-sale	—	0.4
Total operating lease liabilities	<u>\$ 214.4</u>	<u>\$ 216.8</u>

During the thirteen and thirty-nine weeks ended September 28, 2025, we recognized a \$6.9 million impairment of lease right-of-use assets related to the closure of certain Smokey Bones locations..

The contractual future maturities of the Company's operating lease liabilities as of September 28, 2025, including anticipated lease extensions, are as follows (in millions):

<u>Fiscal year:</u>	
Remainder of 2025	\$ 15.9
2026	29.3
2027	29.1
2028	27.0
2029	26.2
Thereafter	311.5
Total lease payments	<u>\$ 439.0</u>
Less: imputed interest	<u>(224.6)</u>
Total	<u>\$ 214.4</u>

The current portion of the operating lease liability as of September 28, 2025 was \$15.4 million.

Supplemental cash flow information for the thirty-nine weeks ended September 28, 2025 related to leases was as follows (in millions):

	Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows from operating leases	<u>\$ 22.7</u>	<u>\$ 22.4</u>
Operating lease right-of-use assets obtained in exchange for new lease obligations:		
Operating lease liabilities	<u>\$ 1.0</u>	<u>\$ —</u>

NOTE 8. DEBT

Long-term debt consisted of the following (in millions):

	September 28, 2025					December 29, 2024
	Final Maturity	Anticipated Repayment Date	Rate	Face Value	Book Value	Book Value
Senior Debt						
FB Royalty Securitization	4/25/2051	7/25/2026	4.75 %	\$ 134.2	\$ 133.2	\$ 134.4
GFG Royalty Securitization	7/25/2051	7/25/2026	6.00 %	265.7	263.3	265.2
Twin Peaks Securitization	10/26/2054	10/25/2027	9.00 %	277.5	270.0	277.5
Fazoli's/Native Securitization	7/25/2051	7/27/2026	6.00 %	124.2	124.2	125.4
FB Resid Securitization	7/25/2027		10.00 %	53.9	53.8	53.8
Senior Subordinated Debt						
FB Royalty Securitization	4/25/2051	7/25/2026	8.00 %	44.7	43.3	42.7
GFG Royalty Securitization	7/25/2051	7/25/2026	7.00 %	100.1	98.7	98.9
Twin Peaks Securitization	10/26/2054	10/25/2027	10.00 %	57.0	53.2	53.7
Fazoli's/Native Securitization	7/25/2051	7/27/2026	7.00 %	16.2	16.2	24.2
FB Resid Securitization	7/25/2027		10.00 %	56.0	55.9	55.9
Subordinated Debt						
FB Royalty Securitization	4/25/2051	7/25/2026	9.00 %	22.0	21.8	15.5
GFG Royalty Securitization	7/25/2051	7/25/2026	9.50 %	43.9	42.3	49.2
Twin Peaks Securitization	10/26/2054	10/25/2027	11.00 %	68.2	60.8	45.6
Total Securitized Debt				1,263.6	1,236.7	1,242.0
Elevation Note	7/19/2026	N/A	6.00 %	1.7	1.6	2.0
Twin Peaks Equipment Notes	5/5/2027 to 7/31/2028	N/A	7.99% to 11.50%	3.8	3.8	4.7
Twin Peaks Construction Loan	10/1/2025	N/A	12.50 %	—	—	3.2
Promissory Note I	7/25/2026	N/A	16.90% to 18.65%	8.4	8.3	6.3
Promissory Note II	7/25/2026	N/A	17.00% to 18.65%	6.2	6.1	—
Promissory Note III	6/30/2026	N/A	13.50 %	10.0	9.5	—
Total Debt				<u>\$ 1,293.7</u>	<u>1,266.0</u>	<u>1,258.2</u>
Current portion of long-term debt					(1,263.5)	(49.2)
Long-term Debt					<u>\$ 2.5</u>	<u>\$ 1,209.0</u>

Securitization Notes

Our long-term debt includes an aggregate of \$1.3 billion in aggregate principal amount in fixed rate secured notes (collectively, the “Securitization Notes”) issued by five special purpose financing subsidiaries of the Company (the “Securitization Issuers”). During the fiscal quarter ended September 28, 2025, we received notices with respect to potential and actual Rapid Amortization Events, Manager Termination Events and Events of Default as described below. In addition to the Rapid Amortization Events, Manager Termination Events and Events of Default described below, due to liquidity constraints, the Company utilized certain cash receipts to support operation of the business during the fiscal quarter ended September 28, 2025, which would likely give rise to Events of Default and/or Manager Termination Events. These include commingling cash receipts owed to the Securitization Issuers and cash of non-securitization entities and causing amounts owed to the Securitization Issuers to be deposited into accounts not held by the Securitization Issuers or the Trustee, as required by the related GFG Indenture, FB Royalty Indenture, Fazoli's Indenture, FB Resid Indenture and Twin Indenture. As a result of the foregoing matters, subject to notice from the applicable parties under the applicable indentures being provided (as further described below), FAT Brands and Twin Hospitality may be removed as Manager of the applicable Securitization Issuers, the

Securitization Notes could be subject to acceleration and the assets of the Securitization Issuers subject to foreclosure at any time. As a result, the Company has classified the aggregate principal amount of its Securitization Notes within current liabilities in its condensed consolidated balance sheet as of September 28, 2025.

The Company is having ongoing discussions with the representatives of the noteholders regarding one or more potential transactions involving a refinancing, restructuring or similar transaction. The Company cannot provide any assurances that it will reach such an agreement on terms that are satisfactory to it and the noteholders promptly, or at all. If the Company is not able to agree upon the terms of a refinancing, restructuring or similar transaction with the noteholders, the noteholders could remove FAT Brands and/or Twin Hospitality, as applicable, as manager of the Securitization Issuers, cause the outstanding principal and interest under any or all of the Securitization Notes to be due and payable on an accelerated basis, and foreclose on the collateral securing the Securitization Notes. We do not currently have amounts on hand to pay such principal and maturity amounts, and any such acceleration or foreclosure would materially and adversely affect our business, financial condition, and liquidity, and could cause us to seek to reorganize through a bankruptcy proceeding.

As further described below, to date, the required parties have not provided such notices. Capitalized terms used in the following discussion are defined in the Base Indenture for the applicable Securitization Issuer, all of which are filed as exhibits to our most recent Annual Report on Form 10-K for the fiscal year ended December 29, 2024, filed on February 28, 2025.

Notice from Noteholders and Discussions

On August 22, 2025, Twin Royalty received a notice from counsel (the “August Letter”) on behalf of a group of noteholders holding a majority of the outstanding principal balance of the Twin Securitization Notes (the “Twin Majority Noteholders”) claiming that the payment of customary bonuses to Twin Hospitality’s management, in the aggregate amount of approximately \$2.2 million for their performance during fiscal year 2024, was paid from funds that should have been deposited into a collection account under the Twin Indenture. The Twin Majority Noteholders claim in the August Letter that such payment is a breach of certain provisions of the applicable Management Agreement, which they claim triggers a “Manager Termination Event” that gives the holders of the Twin Securitization Notes the right to remove Twin Hospitality as the manager of Twin Royalty.

The notice from the Twin Majority Noteholders further claims that (i) a Level I Qualified Equity Offering Trigger Event occurred in April 2025 and July 2025, and (ii) the P&I DSCR was less than 1.35x for the quarterly fiscal period ended June 2025, resulting in the commencement of a Cash Flow Sweeping Event, pursuant to which 50% and 100% of collections, respectively, were required to be used to amortize the Twin Securitization Notes. According to the Twin Majority Noteholders, the failure to pay principal under the Cash Flow Sweeping Event constituted an Event of Default pursuant to Section 9.2(b) of the Base Indenture. The notice from the Twin Majority Noteholders also claims that the failure to deliver a timely notice of the above events to the Trustee under the Twin Indenture constitutes a separate Event of Default under the Twin Indenture.

In addition, the August Letter was also on behalf of a group of noteholders holding a majority of the outstanding principal balance of the notes issued under each of the GFG Indenture, FB Royalty Indenture and Fazoli’s Indenture (collectively, the “FAT Brands Majority Noteholders”), as applicable, alleging that collections belonging to GFG Royalty, FB Royalty and Fazoli’s Royalty, as applicable, have been commingled with the funds of non-securitization entities at an account sitting outside of the securitizations. The FAT Brands Majority Noteholders allege such actions result in a covenant violation that would constitute a Default pursuant to Section 9.2(c) of the GFG Indenture, FB Royalty Indenture and Fazoli’s Indenture, as applicable, which provides that failure to comply in any material respect with Section 8.24 of the GFG Indenture, FB Royalty Indenture and Fazoli’s Indenture, as applicable, constitutes an Event of Default if such failure continues for a period of ten business days.

Notices from Trustee / Other Defaults

FAT Brands GFG Royalty I, LLC (“GFG Royalty”)

On August 11, 2025 and October 23, 2025, UMB Bank, National Association, as trustee (the “Trustee”), provided a “Notice of Potential Rapid Amortization Event” with respect to the Base Indenture, dated July 22, 2021 (the “GFG Indenture”), between GFG Royalty and the Trustee, and the Series 2022-1 Supplement to Base Indenture, dated December 15, 2022 (the “GFG Indenture Supplement”), between GFG Royalty and the Trustee. Such Notice stated that, pursuant to Section 5.9(b)(iv) of the GFG Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the GFG Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a written notice from the Control Party. The

Trustee stated that it did not receive the Retained Collections in the Collection Account for the Monthly Allocation Dates under the GFG Indenture occurring on September 5, 2025 and October 10, 2025 and, therefore, a Potential Rapid Amortization Event has occurred and is continuing under the GFG Indenture.

To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a notice declaring that a Manager Termination Event has occurred under the GFG Indenture or a Termination Notice seeking to remove FAT Brands as Manager. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and FAT Brands could be removed as manager of GFG Royalty at any time.

On October 31, 2025 and following receipt of notice from us regarding such events, the Trustee provided a “Notice of Event of Default” with respect to the GFG Indenture, stating that, due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the GFG Indenture and under the GFG Indenture Supplement. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the GFG Notes and exercise remedies (including foreclosure) with respect to the assets of GFG Royalty and any Guarantors.

FAT Brands Royalty I, LLC (“FB Royalty”)

On August 11, 2025 and October 23, 2025, the Trustee provided a “Notice of Potential Rapid Amortization Event” with respect to the Amended and Restated Base Indenture, dated April 26, 2021 (the “FB Royalty Indenture”), between FB Royalty and the Trustee, and the Series 2022-1 Supplement to Base Indenture, dated June 30, 2022 (the “FB Royalty Indenture Supplement”), between FB Royalty and the Trustee. Such Notice stated that, pursuant to Section 5.9(b)(iv) of the FB Royalty Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the FB Royalty Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a written notice from the Control Party. The Trustee stated that it did not receive the Retained Collections in the Collection Account for the Monthly Allocation Dates under the FB Royalty Indenture occurring on September 5, 2025 and October 10, 2025, and therefore a Potential Rapid Amortization Event has occurred and is continuing under the FB Royalty Indenture.

To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a notice declaring that a Manager Termination Event has occurred under the FB Royalty Indenture or a Termination Notice seeking to remove FAT Brands as Manager. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and FAT Brands could be removed as Manager of FB Royalty at any time.

On October 31, 2025 and following receipt of notice from us regarding such events, the Trustee provided a “Notice of Event of Default” with respect to the FB Royalty Indenture, stating that due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the FB Royalty Indenture and under the FB Royalty Indenture Supplement. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the FB Notes and exercise remedies (including foreclosure) with respect to the assets of FB Royalty and any Guarantors.

FAT Brands Fazoli’s Native I, LLC (“Fazoli’s Royalty”)

On August 11, 2025 and October 23, 2025, the Trustee provided a “Notice of Potential Rapid Amortization Event” with respect to the Base Indenture, dated December 15, 2021 (the “Fazoli’s Indenture”), between Fazoli’s Royalty and the Trustee. Such Notice stated that pursuant to Section 5.9(b)(iv) of the Fazoli’s Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the Fazoli’s Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a

written notice from the Control Party. The Trustee stated that it did not receive the Retained Collections in the Collection Account for the Monthly Allocation Dates under the Fazoli's Indenture occurring on September 5, 2025 and October 10, 2025, and therefore a Potential Rapid Amortization Event has occurred and is continuing under the Fazoli's Indenture.

On October 27, 2025, the Manager notified the Trustee that (i) a Manager Termination Event occurred under the Fazoli's Indenture because the Interest-Only DSCR under the Fazoli's Indenture as calculated as of the most recent Quarterly Calculation Date was 1.16x, which is less than the threshold of 1.20x provided in Section 6.1(a)(ii) of the Management Agreement for Fazoli's Royalty, and (ii) a Hot Back-up Management Trigger Event, as defined in the Back-up Management Agreement for Fazoli's Royalty, occurred as a result of such Manager Termination Event. To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a Termination Notice seeking to remove FAT Brands as Manager. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and FAT Brands could be removed as Manager of Fazoli's Royalty at any time.

On October 31, 2025 and following receipt of notice from us regarding such events, the Trustee provided a "Notice of Event of Default" with respect to the Fazoli's Indenture, stating that due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the Fazoli's Indenture. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the Fazoli's Notes and exercise remedies (including foreclosure) with respect to the assets of Fazoli's Royalty and any Guarantors.

FB Resid Holdings I, LLC ("FB Resid")

On November 3, 2025, the Trustee provided a "Notice of Event of Default" with respect to the Base Indenture, dated July 10, 2023 (the "FB Resid Indenture"), between FB Resid and the Trustee, and the Series 2024-1 Supplement to the FB Resid Indenture, dated November 21, 2024, between FB Resid and the Trustee. Such Notice stated that pursuant to Section 5.9(c) of the FB Resid Indenture, the Manager is obligated to deposit funds in the Collection Account under the FB Resid Indenture, but the Trustee has not received sufficient funds in the Collection Account for the most recent quarter, and the Trustee is unable to distribute funds pursuant to the terms of Section 5.11 of the FB Resid Indenture. As a result, an Event of Default has occurred pursuant to Section 9.2 of the FB Resid Indenture. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the FB Resid notes and exercise remedies (including foreclosure) with respect to the assets of FB Resid and any Guarantors.

Twin Hospitality I, LLC (formerly FAT Brands Twin Peaks I, LLC) ("Twin Royalty")

Under the Base Indenture, dated November 21, 2024 (the "Twin Indenture"), between Twin Royalty and the Trustee, upon each Qualified Equity Offering, which is defined as a public or private offering of common equity securities for cash by Twin Royalty's parent company, Twin Hospitality Group Inc. ("Twin Hospitality"), Twin Hospitality is required, subject to certain limited exceptions, to use 75% of the net proceeds from such offerings towards the repayment of the notes issued under the Twin Indenture ("Twin Securitization Notes"), until an aggregate of \$75.0 million has been repaid in that manner. If the amount of net proceeds from Qualified Equity Offerings used for repayment of the Twin Securitization Notes is not at least \$25.0 million on or prior to each of April 25, 2025, July 25, 2025 and October 27, 2025, or is not at least \$75.0 million on or prior to January 26, 2026, then under any such circumstance, a Cash Flow Sweeping Event would occur, whereupon certain excess cash flows from Twin Royalty's operations are required to be used to make additional principal payments, on a pro rata basis, on the three most senior classes of the Twin Securitization Notes. Twin Hospitality did not satisfy the requirement to raise a Qualified Equity Offering and repay the Twin Securitization Notes in an amount equal to at least \$25.0 million on each of April 25, 2025 and July 25, 2025, and as such, a "Level I Qualified Equity Offering Trigger Event" and "Cash Flow Sweeping Event" under the Twin Securitization Notes have occurred.

Separately, on October 23, 2025, the Trustee provided a "Notice of Potential Rapid Amortization Event" with respect to the Twin Indenture. Such Notice stated that pursuant to Section 5.9(b)(iv) of the Twin Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the Twin Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a written notice from the Control Party. The Trustee stated that it did not receive the Retained Collections in

the Collection Account for the Monthly Allocation Date under the Twin Indenture occurring on October 10, 2025, and therefore a Potential Rapid Amortization Event has occurred and is continuing under the Twin Indenture.

To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a notice declaring that a Manager Termination Event has occurred under the Twin Indenture or a Termination Notice seeking to remove Twin Hospitality as Manager of Twin Royalty. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and Twin Hospitality could be removed as Manager of Twin Royalty at any time.

On October 30, 2025 and following receipt of notice from us regarding such events, the Trustee provided a "Notice of Event of Default" with respect to the Twin Indenture, stating that due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the Twin Indenture. As a result of such Event of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the Twin Notes and exercise remedies (including foreclosure) with respect to the assets of Twin Royalty and any Guarantors.

Retained Notes

During the thirty-nine weeks ended September 28, 2025, the Company repurchased certain of its securitized notes to be held for resale to third party investors and sold certain of its securitized notes previously repurchased or issued and not sold (collectively, the "Retained Notes"). During the thirty-nine weeks ended September 28, 2025, cash proceeds from the sale of Retained Notes and cash used to repurchase Retained Notes was \$31.7 million and \$26.0 million including accrued interest, respectively. As of September 28, 2025, the Company held \$151.9 million of Retained Notes which have been eliminated in consolidation.

Construction Loan Agreement (Twin Peaks)

On September 20, 2024, an indirect subsidiary of the Company entered into a loan agreement to borrow \$3.2 million with an initial maturity of October 1, 2025, bearing interest at 12.5% per annum and is secured by land and building of a new corporate restaurant. The construction loan was paid in full during the first quarter of 2025.

Promissory Note I

During 2024, one of our wholly-owned subsidiaries entered into a financing arrangement to borrow money, where the proceeds would be used for general corporate purposes. The total outstanding amount on the promissory note was \$8.3 million as of September 28, 2025. The promissory note has a maturity date of July 25, 2026 and bears interest at fixed rates between 16.90% and 18.65% per annum.

Promissory Note II

During 2025, one of our wholly-owned subsidiaries entered into a financing arrangement to borrow money, where the proceeds would be used for general corporate purposes. The total outstanding amount on the promissory note was \$6.1 million as of September 28, 2025. The promissory note has a maturity date of July 25, 2026 and bears interest at fixed rates between 17.00% and 18.65% per annum.

Promissory Note III

During 2025, one of our wholly-owned subsidiaries entered into a financing arrangement to borrow money, where the proceeds would be used for general corporate purposes. The total outstanding amount on the promissory note was \$9.5 million as of September 28, 2025. The promissory note has a maturity date of June 30, 2026 and bears interest at 13.50% per annum.

Scheduled Principal Maturities

Scheduled principal maturities of long-term debt and redemptions of redeemable preferred stock (Note 9) for the next five fiscal years are as follows (in millions):

Fiscal Year	Long-Term Debt	Redeemable Preferred Stock (Note 9)
Remainder of 2025	\$ 1,264.2	\$ 91.8
2026	27.4	—
2027	1.5	—
2028	0.6	—
2029	—	—

NOTE 9. REDEEMABLE PREFERRED STOCK

GFG Preferred Stock Consideration

On July 22, 2021, the Company completed the acquisition of GFG. A portion of the consideration paid included 3,089,245 newly issued shares of the Company's Series B Cumulative Preferred Stock valued at \$67.3 million (the "GFG Preferred Stock Consideration"). Additionally, on July 22, 2021, the Company entered into a put/call agreement with the GFG sellers, pursuant to which the Company may purchase, or the GFG Sellers may require the Company to purchase, the GFG Preferred Stock Consideration for \$67.5 million plus any accrued but unpaid dividends on or before August 20, 2022 (extended from the original date of April 22, 2022), subject to the other provisions of the Put/Call Agreement. Since the Company did not deliver the applicable cash proceeds to the GFG Sellers by that date, the amount accrues interest at the rate of 5% per annum until repayment is completed. On March 22, 2022, the Company received a put notice on the GFG Preferred Stock Consideration and reclassified the GFG Preferred Stock Consideration from redeemable preferred stock to current liabilities on its consolidated balance sheet. As of September 28, 2025, the carrying value of the redeemable preferred stock was \$67.5 million.

On September 16, 2022, the Company entered into an agreement with one of the GFG sellers who held 1,544,623 put preferred shares. Pursuant to the agreement, effective August 23, 2022, the interest rate applicable to such holder's 1,544,623 put shares was increased from 5% to 10% per annum, payable monthly in arrears. During the thirteen weeks ended September 28, 2025 and September 29, 2024, the Company paid \$0.3 million and \$0.9 million of interest, respectively. During the thirty-nine weeks ended September 28, 2025 and September 29, 2024, the Company paid \$0.8 million and \$2.5 million of interest, respectively.

On March 9, 2023, the Company entered into an agreement with the second GFG seller who held 1,544,623 put preferred shares. Pursuant to the agreement, effective August 23, 2022, the interest rate applicable to such holder's 1,544,623 put shares was increased from 5% to 10% per annum, payable on the date of redemption.

Twin Peaks Preferred Stock Consideration

On October 1, 2021, the Company completed the acquisition of Twin Peaks. A portion of the consideration paid included 2,847,393 shares of the Company's 8.25% Series B Cumulative Preferred Stock (the "Twin Peaks Preferred Stock Consideration") valued at \$67.5 million.

On October 1, 2021, the Company and the Twin Peaks Seller entered into a Put/Call Agreement (the "Put/Call Agreement") pursuant to which the Company was granted the right to call from the Twin Peaks Seller, and the Twin Peaks Seller was granted the right to put to the Company, the Initial Put/Call Shares at any time until March 31, 2022 for a cash payment of \$42.5 million, and the Secondary Put/Call Shares at any time until September 30, 2022 for a cash payment of \$25.0 million (the Initial Put/Call Shares together with the Secondary Put/Call Shares total \$67.5 million), plus any accrued but unpaid dividends on such shares. Unpaid balances, when due, accrue interest at a rate of 10.0% per annum until repayment is completed. On October 7, 2021, the Company received a put notice on the Initial Put/Call Shares and the Secondary Put/Call Shares.

On October 21, 2022, the Company entered into an Exchange Agreement with the Twin Peaks Seller and redeemed 1,821,831 shares of the Company's 8.25% Series B Cumulative Preferred Stock at a price of \$23.69 per share, plus accrued and unpaid dividends to the date of redemption in exchange for \$46.5 million aggregate principal amount of secured debt (\$43.2 million net of debt offering costs and original issue discount) as discussed in Note 8.

As of September 28, 2025, the carrying value of the Twin Peaks Preferred Stock Consideration totaled \$24.3 million. The Company recognized interest expense relating to the Twin Peaks Preferred Stock Consideration for the thirteen weeks ended September 28, 2025 and September 29, 2024 in the amount of \$0.6 million. The Company recognized interest expense relating to the Twin Peaks Preferred Stock Consideration for the thirty-nine weeks ended September 28, 2025 and September 29, 2024 in the amount of \$1.8 million.

NOTE 10. SHARE-BASED COMPENSATION

Fat Brands Inc.

Effective September 30, 2017, the Company adopted the 2017 Omnibus Equity Incentive Plan (the “Plan”). The Plan was amended on December 20, 2022 to increase the number of shares available for issuance under the Plan. The Plan is a comprehensive incentive compensation plan under which the Company can grant equity-based and other incentive awards to officers, employees and directors of, and consultants and advisers to, FAT Brands Inc. and its subsidiaries. The Plan provides a maximum of 5,000,000 shares available for grant.

The Plan provides that, in the event of a spin-off transaction or other change in capitalization by the Company, the Board may authorize an adjustment to outstanding awards under the Plan in such amount that it deems equitable or appropriate in its discretion. As a result of the January 29, 2025 spin-off of Class A Common Stock of Twin Hospitality Group Inc. in the form of a special dividend to holders of Class A common stock and Class B common stock of the Company (see Note 16), on March 18, 2025, the Board and the Compensation Committee approved a reduction in the exercise price of all outstanding stock options under the Plan held by officers, directors and employees on the dividend date in an amount equal to \$2.599553 per share, with the difference rounded to the nearest whole cent. No cash payments will be made to option holders in connection with the adjustment. The reduction in exercise price is intended to provide an equitable adjustment to holders of stock options as a result of the Company’s payment of the special dividend and the ex-dividend adjustment to the FAT common stock, and was made with respect to unvested stock options under the Plan and vested but unexercised stock options under the Plan on the dividend date.

The Company has periodically issued stock options under the Plan. All of the stock options issued by the Company to date have included a vesting period of three years, with one-third of each grant vesting annually. As of September 28, 2025, there were 3,060,637 shares of stock options outstanding with a weighted average exercise price of \$6.05.

During the thirteen and thirty-nine weeks ended September 28, 2025, the Company granted a total of 0 and 257,544 stock options under the Plan with a grant date fair value of \$0.1 million. During the thirteen and thirty-nine weeks ended September 29, 2024, the Company granted a total of 0 and 326,360 stock options under the Plan with a grant date fair value of \$0.9 million. The related compensation expense will be recognized over the vesting period.

The Company recognized share-based compensation expense in the amount of \$0.2 million and \$0.5 million during the thirteen weeks ended September 28, 2025 and September 29, 2024, respectively. The Company recognized share-based compensation expense in the amount of \$0.8 million and \$2.0 million during the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively. As of September 28, 2025, there remains \$0.5 million of related share-based compensation expense relating to non-vested grants, which will be recognized over the remaining vesting period of approximately 2.6 years, subject to future forfeitures.

Twin Hospitality Group Inc.

Twin Hospitality Group Inc. recognized share-based compensation expense in the amount of \$3.4 million and \$15.9 million during the thirteen and thirty-nine weeks ended September 28, 2025, respectively, and recorded within general and administrative expense on the accompanying condensed consolidated statements of operations and share-based compensation on the accompanying condensed consolidated statements of changes in stockholders' equity.

NOTE 11. WARRANTS

The Company’s warrant activity for the thirty-nine weeks ended September 28, 2025 was as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Warrants exercisable at December 29, 2024	745,904	\$ 2.53	0.6
Exercised	(626,261)	\$ 0.85	0.4
Warrants outstanding and exercisable at September 28, 2025	119,643	\$ —	0.0

During the thirty-nine weeks ended September 28, 2025, 626,261 warrants were exercised in exchange for 626,261 shares of common stock with net proceeds to the Company of \$0.5 million.

On July 16, 2025, the common stock warrants (FATBW) issued by FAT Brands Inc. (the “Company”) on July 16, 2020 (the “Warrants”) expired by their terms and ceased to trade at 4:00 PM Eastern Time. Upon their expiration, the Warrants, which publicly traded under the symbol “FATBW,” were removed from listing on the Nasdaq Stock Market LLC. The Company’s other listed securities (FAT, FATBB and FATBP) continue to trade on Nasdaq.

The Company’s transfer agent has established a two trading day broker protect period for any trades of the Warrants that occurred through the expiration date. In addition, any Warrants which were unexercised at the time of expiration will be automatically exercised via cashless exercise upon the termination of the underlying Warrant Agency Agreement on the 90-day anniversary of the expiration of the Warrants, or October 14, 2025.

NOTE 12. COMMON STOCK

On July 19, 2024, we entered into an Equity Distribution Agreement (the “Noble Sales Agreement”) with Noble Capital Markets, Inc. (the “Sales Agent”), pursuant to which we may offer and sell from time to time through the Sales Agent shares (the “Placement Shares”) of our Class A Common Stock and/or 8.25% Series B Cumulative Preferred Stock. There were no sales during the three months ended September 28, 2025 pursuant to the Noble Sales Agreement.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Government Investigations and Litigation

In December 2021, the U.S. Attorney’s Office for the Central District of California (the “U.S. Attorney”) and the U.S. Securities and Exchange Commission (the “SEC”) informed the Company that they had opened investigations relating to the Company and our former CEO, Andrew Wiederhorn, and were formally seeking documents and materials concerning, among other things, the Company’s December 2020 merger with Fog Cutter Capital Group Inc. (“FCCG”), transactions between those entities and Mr. Wiederhorn, as well as compensation, extensions of credit and other benefits or payments received by Mr. Wiederhorn or his family from those entities prior to the merger.

On May 10, 2024, the U.S. Department of Justice (“DOJ”) indicted the Company on two violations of Section 402 of the Sarbanes-Oxley Act for directly and indirectly extending and/or arranging for the extension of credit in 2019 and 2020 to former CEO Andrew Wiederhorn in the amount of \$2.65 million. The indictment included charges against Mr. Wiederhorn, the Company’s former CFO, Rebecca Hersinger, and the Company’s former tax advisor. On July 29, 2025, the DOJ moved to dismiss the indictment against all defendants in the case without prejudice, and on August 7, 2025 the court ordered the indictment to be dismissed against all defendants.

In May 2024, the SEC filed a complaint against the Company, claiming violations of Section 17(a)(2) of the Securities Act of 1933; Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(k), and 14(a) of the Securities Exchange Act of 1934; and Rules 10b-5(b), 12b-20, 13a-1, 13a-13, 14a-3, and 14a-9 thereunder. The SEC’s claims pertain principally to allegations that, for fiscal periods covering 2017 through 2020, the Company failed to disclose certain related party transactions, failed to disclose the salaries of Mr. Wiederhorn’s adult children working at the Company, failed to maintain proper books and records and internal accounting controls, made false or misleading statements regarding the Company’s liquidity and use of proceeds from certain transactions, and directly or indirectly extended credit to Mr. Wiederhorn in the form of a personal loan. The SEC’s complaint also names Mr. Wiederhorn, Ms. Hersinger, and the Company’s SVP of Finance, Ron Roe, as defendants. The SEC is seeking injunctive relief, disgorgement, and civil monetary penalties. The Company intends to vigorously defend itself against the SEC complaint.

Derivative Litigation

James Harris and Adam Vignola, derivatively on behalf of FAT Brands, Inc. v. Squire Junger, James Neuhauser, Edward Rensi, Andrew Wiederhorn, Fog Cutter Holdings, LLC and Fog Cutter Capital Group, Inc., and FAT Brands Inc., nominal defendant (Delaware Chancery Court, Case No. 2021-0511-NAC). On June 10, 2021, plaintiffs James Harris and Adam Vignola, putative stockholders of the Company, filed a stockholder derivative action (“Harris I”) in the Delaware Court of Chancery nominally on behalf of the Company against the Company’s current and former directors (Squire Junger, James Neuhauser, Edward Rensi and Andrew Wiederhorn) and the Company’s current and former majority stockholders, Fog Cutter Holdings, LLC and Fog Cutter Capital Group, Inc. Plaintiffs assert claims of breach of fiduciary duty, unjust enrichment and waste of corporate assets arising out of the Company’s December 2020 merger with Fog Cutter Capital Group, Inc. Since it was originally filed, the parties engaged in motion practice and substantial discovery, and the Company’s Board appointed a Special Litigation Committee. In January 2025, the principal parties to this matter participated in a mediation in Wilmington, DE and

agreed in principle to settle this matter and the Harris II litigation. An Amended Stipulation of Settlement was signed by the parties on September 11, 2025, and a hearing at the Delaware Court of Chancery to consider and approve the settlement is scheduled for December 17, 2025. Assuming that the settlement terms are approved by the Court, as a result of the settlement, all of the claims asserted in this matter will be dismissed.

James Harris and Adam Vignola, derivatively on behalf of FAT Brands, Inc. v. Squire Junger, James Neuhauser, Edward Rensi, Andrew Wiederhorn and Fog Cutter Holdings, LLC, and FAT Brands Inc., nominal defendant (Delaware Chancery Court, Case No. 2022-0254-NAC). On March 17, 2022, plaintiffs James Harris and Adam Vignola, putative stockholders of the Company, filed a stockholder derivative action (“*Harris II*”) in the Delaware Court of Chancery nominally on behalf of the Company against the Company’s current and former directors (Squire Junger, James Neuhauser, Edward Rensi and Andrew Wiederhorn) and the Company’s majority stockholder, Fog Cutter Holdings, LLC. Plaintiffs assert claims of breach of fiduciary duty in connection with the Company’s June 2021 recapitalization transaction. Since it was originally filed, the parties engaged in motion practice and substantial discovery, and the Company’s Board appointed a Special Litigation Committee. In January 2025, the principal parties to this matter participated in a mediation in Wilmington, DE and agreed in principle to settle this matter and the *Harris I* litigation. An Amended Stipulation of Settlement was signed by the parties on September 11, 2025, and a hearing at the Delaware Court of Chancery to consider and approve the settlement is scheduled for December 17, 2025. Assuming that the settlement terms are approved by the Court, as a result of the settlement, all of the claims asserted in this matter will be dismissed.

Richard Collura v. Andrew A. Wiederhorn, et al. (Delaware Chancery Court, Case No. 2024-1305-NAC). In December 2024, plaintiff Richard Collura, a putative stockholder of the Company, filed a stockholder derivative action in the Delaware Court of Chancery nominally on behalf of the Company against certain of the Company’s current and former officers and directors (Andrew Wiederhorn, Kenneth Quick, Robert Rosen, Ron Roe, John Allen, Kenneth Anderson, Donald Berchtold, Tyler Child, Lynne Collier, Mark Elenowitz, James Ellis, Peter Feinstein, Amy Forrestal, Matthew Green, Squire Junger, John Metz, James Neuhauser, Edward Rensi, Carmen Vidal, Mason Wiederhorn, Taylor Wiederhorn and Thayer Wiederhorn), and the Company’s majority stockholder, Fog Cutter Holdings, LLC. Plaintiff alleges that Mr. Wiederhorn and certain of the other defendants engaged in an unlawful scheme to distribute money to Mr. Wiederhorn and his family for their own personal benefit through 2020, which they allege attracted the attention of the U.S. Attorney’s office and the SEC, and that the Company indicated in public statements and filings that it was cooperating with the government investigations but allegedly was not actually cooperating and investigating the scheme, which caused the Company’s stock price to fall. Defendants dispute the premises and allegations of the lawsuit and intend to vigorously defend against the claims. On June 2, 2025, defendants Andrew Wiederhorn, Kenneth Quick, Robert Rosen, Mason Wiederhorn, Taylor Wiederhorn, Thayer Wiederhorn, and Fog Cutter Holdings, LLC filed their answer to plaintiff’s complaint. The court subsequently granted defendants Squire Junger, James Neuhauser, Edward Rensi, John Allen, Tyler Child, Lynne Collier, Mark Elenowitz, James Ellis, Peter Feinstein, Matthew Green, John Metz, Kenneth Anderson, and Amy Forrestal an extension of time to answer, move, or otherwise respond to the complaint to December 1, 2025. We cannot predict the outcome of this lawsuit. This lawsuit does not assert any claims against the Company. However, subject to certain limitations, we are obligated to indemnify our current and former directors in connection with defense costs for the lawsuit and any related litigation, which may exceed coverage provided under our insurance policies, and thus could have an adverse effect on our financial condition. The lawsuit and any related litigation also may be time-consuming and divert the attention and resources of our management.

Other Litigation

Mitchell Kates v. FAT Brands, Inc., Andrew Wiederhorn, Kenneth J. Quick and Robert G. Rosen (United States District Court for the Central District of California, Case No. 2:24-cv-04775-MWF-MAA). On June 7, 2024, plaintiff Mitchell Kates, a putative investor in the Company, filed a putative class action lawsuit against the Company, Andrew Wiederhorn, Kenneth J. Quick and Robert G. Rosen, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the “1934 Act”), and Rule 10b-5 promulgated thereunder, alleging that the defendants made false and misleading statements and omitted material facts necessary to make statements not misleading in the Company’s reports filed with the SEC under the 1934 Act related to the subject matter of the government investigations and litigation discussed above, the Company’s handling of these matters and its cooperation with the government. Plaintiff alleges that the Company’s public statements wrongfully inflated the trading price of the Company’s common stock, preferred stock and warrants. On February 21, 2025, the court granted plaintiff’s motion for appointment as lead plaintiff and approved The Rosen Law Firm, P.A. as lead counsel. Plaintiff filed his First Amended Complaint against defendants on April 6, 2025, which defendants moved to dismiss on June 6, 2025. On October 15, 2025, the court granted the defendants’ motion to dismiss the case, with leave to amend on or before November 7, 2025. On November 7, 2025, the plaintiff in this case filed a Second Amended Complaint against the defendants, alleging substantially the same claims and adding new allegations arising from the same subject matter of the original complaint. We intend to vigorously defend against the amended complaint.

Stratford Holding LLC v. Foot Locker Retail Inc. (U.S. District Court for the Western District of Oklahoma, Case No. 5:12-cv-772-HE). In 2012 and 2013, two property owners in Oklahoma City, Oklahoma sued numerous parties, including Foot Locker Retail Inc. and our subsidiary Fog Cutter Capital Group Inc. (now known as Fog Cutter Acquisition, LLC), for alleged environmental contamination on their properties, stemming from dry cleaning operations on one of the properties. The property owners seek damages in the range of \$12.0 million to \$22.0 million. From 2002 to 2008, a former Fog Cutter subsidiary managed a lease portfolio, which included the subject property. Fog Cutter denies any liability, although it did not timely respond to one of the property owners' complaints and several of the defendants' cross-complaints and thus is in default. The parties are currently conducting discovery. The court has vacated the current trial date and has not yet reset the trial date. The Company is unable to predict the ultimate outcome of this matter, however, reserves have been recorded on the balance sheet of FAT Brands relating to this litigation. There can be no assurance that the defendants will be successful in defending against these actions.

SBN FCCG LLC v FCCGI (Los Angeles Superior Court, Case No. BS172606). SBN FCCG LLC ("SBN") filed a complaint against Fog Cutter Capital Group, Inc. ("FCCG") in New York state court for an indemnification claim (the "NY case") stemming from an earlier lawsuit in Georgia regarding a certain lease portfolio formerly managed by a former FCCG subsidiary. On February 28, 2018, SBN obtained a final judgment in the NY case for a total of \$0.7 million, which included \$0.2 million in interest dating back to March 2012. SBN then obtained a sister state judgment in Los Angeles Superior Court, Case No. BS172606 (the "California case"), which included the \$0.7 million judgment from the NY case, plus additional statutory interest and fees, for a total judgment of \$0.7 million. In May 2018, SBN filed a cost memo, requesting an additional \$12,411 in interest to be added to the judgment in the California case, for a total of \$0.7 million. In May 2019, the parties agreed to settle the matter for \$0.6 million, which required the immediate payment of \$0.1 million, and the balance to be paid in August 2019. FCCG wired \$0.1 million to SBN on May 31, 2019, but has not yet paid the remaining balance of \$0.5 million. The parties have not entered into a formal settlement agreement, and they have not yet discussed the terms for the payment of the remaining balance.

SBN FCCG LLC v FCCGI (Supreme Court of the State of New York, County of New York, Index No. 650197/2023). On January 13, 2023, SBN filed another complaint against FCCG in New York state court for an indemnification claim stemming from a lawsuit in Oklahoma City regarding the same lease portfolio formerly managed by Fog Cap (the "OKC Litigation"), and a bankruptcy proceeding involving Fog Cap (the "Bankruptcy Proceeding"). SBN alleges that under a February 2008 stock purchase agreement, Fog Cutter is required to indemnify SBN and its affiliates. According to the complaint, SBN has, at the time of filing the complaint, incurred costs subject to indemnification of approximately \$12 million. On March 11, 2024, the court issued an order granting FCCG's motion to dismiss SBN's complaint without prejudice to refile the complaint, if at all, once the underlying proceedings (the OKC Litigation and the Bankruptcy Proceeding) were complete. On April 10, 2024, SBN filed a notice of appeal of the trial court's order dismissing SBN's complaint. We are unable at this time to express any opinion as to the eventual outcome of this matter or the possible range of loss, if any.

The Company is involved in other claims and legal proceedings from time-to-time that arise in the ordinary course of business, including those involving the Company's franchisees. The Company does not believe that the ultimate resolution of these actions will have a material adverse effect on its business, financial condition, results of operations, liquidity or capital resources. As of September 28, 2025, the Company had accrued an aggregate of \$5.1 million related to the specific matters mentioned above and claims and legal proceedings involving franchisees as of that date.

NOTE 14. GEOGRAPHIC INFORMATION

Revenue by geographic area was as follows (in millions):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
United States	\$ 136.4	\$ 140.6	\$ 420.3	\$ 440.0
Other countries	3.6	2.8	8.6	7.4
Total revenue	\$ 140.0	\$ 143.4	\$ 428.9	\$ 447.4

Revenue is shown based on the geographic location of our company-owned and franchisees' restaurants. All assets are located in the United States.

During the thirty-nine weeks ended September 28, 2025 and September 29, 2024, no individual franchisee accounted for more than 10% of the Company's revenue.

NOTE 15. SEGMENT INFORMATION

We manage our business activities on a consolidated basis and operate as a single reporting segment as our businesses contain similar products and services managed by the Company, and are economically similar, and share similar types of customers, production and distribution: We primarily derive our revenue in the United States through the sale of food and beverages at our company restaurants and the collection of royalties, franchise fees and advertising revenue from sales of food and beverages at our franchised restaurants. The accounting policies of the single reporting segment are the same as those described in Note 2. Summary of Significant Accounting Policies.

Our Chief Operating Decision Maker ("CODM") is our Chief Executive Officer. Our CODM regularly reviews and uses the consolidated net loss, as reported on our Consolidated Statements of Operations in evaluating the overall performance of our single reporting segment and determining how to allocate resources of the Company as a whole, including investing in our existing company owned restaurants, acquisition strategy and stockholder return programs. The CODM does not review assets in evaluating the results of our single reporting segment, and therefore, such information is not presented.

Geographically, we have no assets in a foreign country requiring separate disclosure. We have no single major customer representing greater than 10% of our total revenues. For more information regarding our domestic revenues and revenues generated in the foreign countries refer to Note 14. Geographic Information. Foreign revenues are based on the country in which the legal subsidiary is domiciled.

NOTE 16. NON-CONTROLLING INTEREST

On January 16, 2025, the Company announced that its Board of Directors declared a special stock dividend to the Company's common stockholders of shares of Class A Common Stock ("Twin Common Stock") of Twin Hospitality Group Inc., a Delaware corporation ("Twin Hospitality"), the operating unit for the Company's Twin Peaks and Smokey Bones restaurant brands. The distribution ("Spin-Off") of shares of Twin Common Stock was made on a pro rata basis to all holders of the Company's Class A Common stock and Class B Common Stock of the Company as of the close of trading on January 27, 2025 (the "record date"). The distribution took the form of a special dividend of 0.1520207 share of Twin Common Stock distributed with respect to each one share of the Company's Class A Common Stock and Class B Common Stock outstanding as of the record date.

On January 29, 2025, the Company completed the Spin-Off. Following the completion of the Spin-Off, Twin Hospitality became an independent, publicly traded company, and the Twin Common Stock began trading on the Nasdaq Global Market under the ticker symbol "TWNP".

In connection with the Spin-Off, on January 24, 2025, the Company entered into a Master Separation Agreement (the "Master Separation Agreement") and Tax Matters Agreement (the "Tax Matters Agreement") with Twin Hospitality, which provide a framework for Twin Hospitality's on-going relationship with FAT Brands following the Spin-Off. Pursuant to the Master Separation Agreement, on January 24, 2025, the Company exchanged its initial founder's shares in Twin Hospitality (representing 100% of the issued and outstanding capital stock of Twin Hospitality) for 47,298,271 shares of Twin Hospitality's Class A Common Stock and 2,870,000 shares of Twin Hospitality's Class B Common Stock. In connection with the Spin-Off, on January 29, 2025, FAT Brands distributed 2,659,412 shares of Twin Hospitality Class A Common Stock to the FAT Brands Common Stockholders and recognized a \$5.2 million non-controlling interest on its condensed consolidated balance sheets and condensed consolidated statements of changes in stockholders' deficit.

On June 4, 2025, (the "Effective Date") the Company entered into an Exchange Agreement with Twin Hospitality pursuant to which the Company exchanged assets due to it by Twin Hospitality for additional shares of Twin Common Stock at market value. In the transaction, the Company cancelled assets recorded as "due from affiliates" in its consolidated financial statements with a principal balance of \$31.2 million in exchange for 7,139,667 shares of Twin Common Stock at \$4.37 per share, which was the greater of (i) the Nasdaq Official Closing Price of the Common Stock on the date immediately preceding the Effective Date and (ii) the average Nasdaq Official Closing Price of the Common Stock for the five trading days immediately preceding the Effective Date.

For financial accounting purposes, Twin Hospitality is a "controlled company" and FAT Brands is the "controlling stockholder". FAT Brands' present controlling ownership of voting power of the outstanding shares of Twin Hospitality's common stock is approximately 98.6% (comprised of 95.1% of Class A Common Stock and 100% of Class B Common Stock) with the remaining 4.9% of Class A Common Stock constituting a non-controlling interest. FAT Brands will continue to consolidate 100% of Twin Hospitality and its subsidiaries into its consolidated financial statements. The portion of the non-controlling interest is segregated and presented as a separate line item on our consolidated financial statements.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our results of operations, financial condition, and liquidity and capital resources should be read in conjunction with our financial statements and related notes for the thirteen and thirty-nine weeks ended September 28, 2025 and September 29, 2024, as applicable. Certain statements made or incorporated by reference in this report and our other filings with the Securities and Exchange Commission, in our press releases, and in statements made by or with the approval of authorized personnel constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are subject to the safe harbor created thereby. Forward-looking statements reflect intent, belief, current expectations, estimates or projections about, among other things, our industry, management’s beliefs, and future events and financial trends affecting us. Words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “may”, “will”, and variations of these words or similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Although we believe the expectations reflected in any forward-looking statements are reasonable, such statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. These differences can arise as a result of the risks described in the section entitled “Item 1A. Risk Factors” in our Annual Report on Form 10-K filed on February 28, 2025 and elsewhere in this report, as well as other factors that may affect our business, results of operations, or financial condition. Forward-looking statements in this report speak only as of the date hereof, and forward-looking statements in documents incorporated by reference speak only as of the date of those documents. Unless otherwise required by law, we undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, we cannot assure you that the forward-looking statements contained in this report will, in fact, transpire.

Executive Overview

Business overview

FAT Brands Inc. is a leading multi-brand restaurant franchising company that develops, markets, and acquires primarily quick-service, fast casual, casual dining and polished casual restaurant concepts around the world. As of September 28, 2025, the Company owned eighteen restaurant brands: Round Table Pizza, Fatburger, Marble Slab Creamery, Johnny Rockets, Fazoli's, Twin Peaks, Smokey Bones, Great American Cookies, Hot Dog on a Stick, Buffalo's Cafe & Express, Hurricane Grill & Wings, Pretzelmaker, Elevation Burger, Native Grill & Wings, Yalla Mediterranean and Ponderosa and Bonanza Steakhouses. As of September 28, 2025, the Company had approximately 2,300 locations open or under construction, of which approximately 92% were franchised.

Under our franchised business model, we generate revenue by charging franchisees an initial franchise fee as well as ongoing royalties. This asset light franchisor model provides the opportunity for strong profit margins and an attractive free cash flow profile while minimizing restaurant operating company risk, such as long-term real estate commitments or capital investments. Our scalable management platform enables us to add new stores and restaurant concepts to our portfolio with minimal incremental corporate overhead cost, while taking advantage of significant corporate overhead synergies. The acquisition of additional brands and restaurant concepts as well as expansion of our existing brands are key elements of our growth strategy.

Our revenues are derived primarily from two sales channels, franchised restaurants and company owned restaurants, which we operate as one segment. The primary sources of revenues are the sale of food and beverages at our company restaurants and the collection of royalties, franchise fees and advertising revenue from sales of food and beverages at our franchised restaurants.

Results of Operations

We operate on a 52-week or 53-week fiscal year ending on the last Sunday of the calendar year. In a 52-week fiscal year, each quarter contains 13 weeks of operations. In a 53-week fiscal year, each of the first, second and third quarters includes 13 weeks of operations and the fourth quarter includes 14 weeks of operations, which may cause our revenue, expenses and other results of operations to be higher due to an additional week of operations. The 2025 fiscal year is a 52-week year. The 2024 fiscal year was also a 52-week year.

Results of Operations of FAT Brands Inc.

The following table summarizes key components of our condensed consolidated results of operations for the thirteen and thirty-nine weeks ended September 28, 2025 and September 29, 2024.

(dollars in thousands)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Statements of Operations Data:				
Revenue				
Royalties	\$ 21,582	\$ 22,353	\$ 65,524	\$ 67,618
Restaurant sales	96,643	99,238	298,446	312,587
Advertising fees	9,143	9,708	28,573	29,569
Factory revenues	9,649	9,490	28,711	28,599
Franchise fees	1,503	2,576	3,817	5,170
Other revenue	1,489	—	3,792	3,829
Total revenue	140,009	143,365	428,863	447,372
Costs and expenses				
General and administrative expense	42,665	34,481	120,125	94,044
Cost of restaurant and factory revenues	94,613	96,792	288,760	295,955
Depreciation and amortization	7,909	10,736	26,682	31,176
Refranchising loss (gain)	24	157	(7)	1,840
Advertising fees	12,164	10,032	34,787	37,275
Total costs and expenses	157,375	152,198	470,347	460,290
Loss from operations	(17,366)	(8,833)	(41,484)	(12,918)
Total other expense, net	(40,989)	(35,779)	(116,325)	(103,944)
Loss before income tax provision	(58,355)	(44,612)	(157,809)	(116,862)
Income tax provision	1,100	143	3,326	5,568
Net loss	(59,455)	(44,755)	(161,135)	(122,430)
Less: Net loss attributable to non-controlling interest	1,236	—	2,759	—
Net loss attributable to FAT Brands Inc.	\$ (58,219)	\$ (44,755)	\$ (158,376)	\$ (122,430)

For the thirty-nine weeks ended September 28, 2025 and September 29, 2024:

Revenue

Revenue consists of royalties, franchise fees, advertising fees, restaurant sales, factory revenue and other revenue. Total revenue decreased \$18.5 million, or 4.1%, in the first three quarters of 2025 to \$428.9 million compared to \$447.4 million in the same period of 2024 primarily driven by a decrease in restaurant revenue resulting from the closure of 11 underperforming Smokey Bones locations, the temporary closure of two Smokey Bones locations for conversion into a Twin Peaks lodge and lower same-store sales, partially offset by the opening of new Twin Peaks lodges.

Costs and expenses

General and administrative expense increased \$26.1 million, or 27.7%, in the first three quarters of 2025 to \$120.1 million compared to \$94.0 million in the same period in the prior year, primarily due to increased share-based compensation related to Twin Hospitality Group Inc., \$6.9 million in Smokey Bones store closure costs, a \$1.4 million non-cash impairment of fixed assets related to the closure of underperforming Smokey Bones locations and the recognition of \$3.4 million in Employee Retention Credits during the prior year period.

Cost of restaurant and factory revenues was related to the operations of the company-owned restaurant locations and dough factory and decreased \$7.2 million, or 2.4%, in the first three quarters of 2025 to \$288.8 million compared to \$296.0 million in the same period in the prior year, primarily due to the closure of underperforming Smokey Bones locations, the temporary closure of two Smokey Bones locations for conversion into Twin Peaks lodges and lower same-store sales.

Depreciation and amortization decreased \$4.5 million, or 14.4% in the first three quarters of 2025 to \$26.7 million compared to \$31.2 million in the same period in the prior year, primarily due to the planned closure of certain Company owned restaurant locations.

Advertising expenses decreased \$2.5 million in the first three quarters of 2025 to \$34.8 million compared to \$37.3 million in the same period in the prior year. These expenses vary in relation to advertising revenues.

Total other expense, net, for the first three quarters of 2025 and 2024 was \$116.3 million and \$103.9 million, respectively, which is inclusive of interest expense of \$116.7 million and \$103.6 million. Total other expense, net, for the first three quarters of 2024 also consisted of a \$0.4 million net gain on extinguishment of debt.

Income tax provision – The effective rate was (2.1)% and (4.8)% for the first three quarters of 2025 and 2024, respectively. The difference in effective rate was primarily due to increases in the valuation allowance, nondeductible expenses and the impact of state income taxes.

For the Thirteen Weeks Ended September 28, 2025 and September 29, 2024:

Revenue

Revenue consists of royalties, franchise fees, advertising fees, restaurant sales, factory revenue and other revenue. Total revenue decreased \$3.4 million, or 2.3%, in the third quarter of 2025 to \$140.0 million compared to \$143.4 million in the same period of 2024 primarily driven by a decrease in restaurant revenue resulting from the closure of 11 underperforming Smokey Bones locations, the temporary closure of two Smokey Bones locations for conversion into a Twin Peaks lodge and lower same-store sales, partially offset by the opening of new Twin Peaks lodges.

Costs and expenses

General and administrative expense increased \$8.2 million, or 23.7%, in the third quarter of 2025 to \$42.7 million compared to \$34.5 million in the same period in the prior year, primarily due to \$6.9 million in Smokey Bones store closure costs and a \$1.4 million non-cash impairment of fixed assets related to the closure of underperforming Smokey Bones locations.

Cost of restaurant and factory revenues was related to the operations of the company-owned restaurant locations and dough factory and decreased \$2.2 million, or 2.3%, in the third quarter of 2025 to \$94.6 million compared to \$96.8 million in the same period in the prior year, primarily due to the closure of underperforming Smokey Bones locations, the temporary closure of two Smokey Bones locations for conversion into Twin Peaks lodges and lower same-store sales.

Depreciation and amortization decreased \$2.8 million, or 26.3% in the third quarter of 2025 to \$7.9 million compared to \$10.7 million in the same period in the prior year, primarily due to the planned closure of certain Company owned restaurant locations.

Advertising expenses increased \$2.1 million in the third quarter of 2025 to \$12.2 million compared to \$10.0 million in the same period in the prior year. These expenses vary in relation to advertising revenues.

Total other expense, net, for the third quarter of 2025 and 2024 was \$41.0 million and \$35.8 million, respectively, which is inclusive of interest expense of \$41.5 million and \$35.5 million, respectively.

Income tax provision – The effective rate was (1.9)% and (0.3)% for the third quarter of 2025 and 2024, respectively. The difference in effective rate was primarily due to increases in the valuation allowance, nondeductible expenses and the impact of state income taxes.

Liquidity and Capital Resources

Liquidity is a measurement of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund business operations, acquisitions and expansion of franchised restaurant locations and for other general business purposes. Our primary sources of funds for liquidity during the thirty-nine weeks ended September 28, 2025 consisted of cash on hand at the beginning of the period and net proceeds of \$31.7 million from the sale of secured debt as discussed in Note 8 of the accompanying condensed consolidated financial statements.

We are involved in a world-wide expansion of franchise locations, which will require significant liquidity, primarily from our franchisees. If real estate locations of sufficient quality cannot be located and either leased or purchased, the timing of restaurant openings may be delayed. Additionally, if we or our franchisees cannot obtain capital sufficient to fund this expansion, the extent or timing of restaurant openings may be reduced or delayed.

We also may acquire additional restaurant concepts. These acquisitions typically require capital investments in excess of our normal cash on hand. We would expect that future acquisitions will necessitate financing with additional debt or equity transactions. If we are unable to obtain acceptable financing, our ability to acquire additional restaurant concepts likely would be negatively impacted.

We have liabilities of \$91.8 million relating to put options exercised by others on our Series B Cumulative Preferred Stock. The Company has contractual options pursuant to the put/call agreements to extend this repayment via incremental interest payments and there are capital market options that the Company may consider.

The Company recognized losses from operations of \$41.5 million and \$12.9 million during the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively. The Company had negative cash flows from operations of \$54.7 million and \$45.8 million during the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively. The Company has a history of net losses and an accumulated deficit of \$611.8 million as of September 28, 2025. As of September 28, 2025, the Company had \$2.1 million of unrestricted cash, \$73.4 million of issued but not sold aggregate principal amount of fixed rate secured notes and \$78.5 million aggregate principal amount of repurchased but not re-sold fixed rate secured notes (see Note 8).

As discussed in Note 8 of the quarterly financial statements included elsewhere in this filing, as of the date of the filing of this Quarterly Report on Form 10-Q, the Company was in default under its Securitization Notes. As a result, the noteholders could remove FAT Brands and/or Twin Hospitality, as applicable, as manager of the Securitization Notes, cause the outstanding

principal and interest under any or all of the Securitization Notes to be due and payable on an accelerated basis, and could allow the noteholders to foreclose on the collateral securing the Securitization Notes.

The Company does not currently have amounts on hand to pay such principal and maturity amounts, and any such acceleration or foreclosure would materially and adversely affect the Company's business, financial condition and liquidity, and could cause the Company to seek to reorganize through a bankruptcy proceeding.

These factors create substantial doubt about the Company's ability to continue as a going concern for the twelve-month period subsequent to the date that these financial statements are issued. While the Company believes its plans to restructure its indebtedness or obtain relief from the noteholders can alleviate the conditions that raise substantial doubt about the Company's ability to continue as a going concern, these plans are not within the Company's control and cannot be assessed as being probable of occurring. Without a restructuring of our debt or relief from our noteholders under our Securitization Notes, we will not be able to meet our cash obligations for the next twelve months.

Comparison of Cash Flows

Our cash and restricted cash balance was \$22.7 million as of September 28, 2025, compared to \$67.4 million as of December 29, 2024.

The following table summarizes key components of our consolidated cash flows for the thirty-nine weeks ended September 28, 2025 and September 29, 2024:

	For the Thirty-Nine Weeks Ended (in millions)	
	September 28, 2025	September 29, 2024
Net cash used in operating activities	\$ (54.7)	\$ (45.8)
Net cash used in investing activities	(4.7)	(26.0)
Net cash provided by financing activities	14.7	46.6
Net cash flows	<u>\$ (44.7)</u>	<u>\$ (25.2)</u>

Operating Activities

Net cash used in operating activities increased \$8.9 million in the thirty-nine weeks ended September 28, 2025 to \$54.7 million compared to \$45.8 million in the same period of fiscal 2024, primarily due to higher debt service costs, partially offset by changes in working capital.

Investing Activities

Net cash used in investing activities decreased \$21.3 million in the thirty-nine weeks ended September 28, 2025 to \$4.7 million compared to \$26.0 million in the same period of fiscal 2024, primarily driven by decrease in purchases of property and equipment in addition to the payment of the acquisition purchase price payable of \$4.0 million during the first three quarters of 2024.

Financing Activities

Net cash provided by financing activities decreased \$31.9 million in the thirty-nine weeks ended September 28, 2025 to \$14.7 million compared to \$46.6 million in the same period of fiscal 2024, and is primarily comprised of proceeds from borrowings, partially offset by repayments of borrowings and dividends paid on our Class A and Class B Common Stock and our Series B Cumulative Preferred Stock.

Dividends

During the thirty-nine weeks ended September 28, 2025, we declared and paid cash dividends totaling \$2.9 million on our Series B Cumulative Preferred Stock. No dividends were declared or paid on our Class A common stock or Class B common stock. We have paused the payment of cash dividends on our Series B Cumulative Preferred Stock beginning with the monthly dividend period for April 2025, which dividends will accrue and cumulate on our Series B Cumulative Preferred Stock until paid at the customary rate of \$2.0625 per year, or \$2.50 per year if unpaid for 12 monthly periods.

The declaration and payment of future dividends, as well as the amount thereof, are subject to the discretion of our Board of Directors. The amount and size of any future dividends will depend upon our future results of operations, financial condition, capital levels, cash requirements, contractual restrictions and other factors. There can be no assurance that we will declare and pay dividends in future periods.

Capital Expenditures

As of September 28, 2025, we do not have any material commitments for capital expenditures.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with GAAP. Preparing condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by the application of our accounting policies. Our significant accounting policies are described in our Annual Report on Form 10-K for the year ended December 29, 2024 filed on February 28, 2025. Critical accounting estimates are those that require application of management's most difficult, subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. While we apply our judgment based on assumptions believed to be reasonable under the circumstances, actual results could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions. Our critical accounting estimates are identified and described in our annual consolidated financial statements and the related notes included in our Annual Report on Form 10-K for our fiscal year ended December 29, 2024 filed on February 28, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Required.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our principal executive officers and principal financial officer, we carried out an evaluation of the effectiveness of our Disclosure Controls and Procedures (as defined in the Securities and Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on that evaluation, our principal executive officers and principal financial officer have concluded that our Disclosure Controls and Procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting in connection with an evaluation that occurred during the thirteen weeks ended September 28, 2025 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Inherent Limitations Over Internal Controls

We do not expect that our Disclosure Controls and Procedures will prevent all error and all fraud. A control procedure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control procedures are met. Because of the inherent limitations in all control procedures, no evaluation of controls can provide absolute assurance that all control issues and instances of frauds, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please see Note 13, *Commitments and Contingencies*, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, which Note is incorporated by reference in this Item 1.

Settlement of Derivative Actions

On August 1, 2025, the Company and certain of its current and former directors and officers entered into a settlement agreement with stockholders of the Company to resolve two lawsuits brought derivatively on behalf of the Company in the Delaware Court of Chancery (the “Derivative Actions”). The Derivative Actions were filed in June 2021 (Case No. 2021-0511-NAC, relating to the Company’s December 2020 merger with Fog Cutter Capital Group), and March 2022 (Case No. 2022-0254-NAC, relating to the Company’s June 2021 recapitalization). The settlement agreement will resolve all claims asserted against the defendants in the Derivative Actions without any liability or wrongdoing attributed to them personally or the Company. Under the terms of the settlement agreement, the Company’s Board of Directors agreed to adopt and implement certain corporate governance modifications. In addition, the Company’s insurers will pay to the Company \$10 million, from which fees and expenses of plaintiffs’ counsel will be deducted, and Fog Cutter Holdings LLC will contribute 200,000 shares of Twin Hospitality Group Inc. to the Company.

The Delaware Court of Chancery must approve the settlement of the Derivative Actions. An Amended Stipulation of Settlement was signed by the parties on September 11, 2025, and a hearing at the Delaware Court of Chancery to consider and approve the settlement is scheduled for December 17, 2025. Assuming that the settlement terms are approved, as a result of the settlement, all of the claims asserted in the Derivative Actions will be dismissed.

The “Notice of Pendency of Settlement” of the Derivative Actions is included as Exhibit 99.1, and the “Amended Stipulation and Agreement of Compromise, Settlement, and Release” of the Derivative Actions is included as Exhibit 99.2 to this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

You should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” and elsewhere in our Annual Report on Form 10-K filed on February 28, 2025, which could materially affect our business, financial condition, cash flows or future results. Other than matters discussed below under Item 3, there have been no material changes in such factors discussed in our Annual Report. The risks described in our Annual Report are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Securitization Notes

Our long-term debt includes an aggregate of \$1,293.7 million in aggregate principal amount in fixed rate secured notes (collectively, the “Securitization Notes”) issued by five special purpose financing subsidiaries of the Company (the “Securitization Issuers”). During the fiscal quarter ended September 28, 2025, we received notices with respect to potential and actual Rapid Amortization Events, Manager Termination Events and Events of Default as described below. In addition to the Rapid Amortization Events, Manager Termination Events and Events of Default described below, due to liquidity constraints, the Company utilized certain cash receipts to support operation of the business during the fiscal quarter ended September 28, 2025, which would likely give rise to Events of Default and/or Manager Termination Events. These include commingling cash receipts owed to the Securitization Issuers and cash of non-securitization entities and causing amounts owed to the Securitization Issuers to be deposited into accounts not held by the Securitization Issuers or the Trustee, as required by the related GFG Indenture, FB Royalty Indenture, Fazoli’s Indenture, FB Resid Indenture and Twin Indenture. As a result of the foregoing matters, subject to notice from the applicable parties under the applicable indentures being provided (as further described below), FAT Brands and Twin Hospitality may be removed as Manager of the applicable Securitization Issuers, the Securitization Notes could be subject to acceleration and the assets of the Securitization Issuers subject to foreclosure at any time. As further described below, to date, the required parties have not provided such notices.

The Company is having ongoing discussions with representatives of the noteholders regarding one or more potential transactions involving a refinancing, restructuring or similar transaction. The Company cannot provide any assurances that it will reach such an agreement on terms that are satisfactory to it and the noteholders promptly, or at all. If the Company is not able to agree upon the terms of a refinancing, restructuring or similar transaction with the noteholders, the noteholders could remove FAT Brands and/or Twin Hospitality, as applicable, as manager of the Securitization Issuers, cause the outstanding principal and interest under any or all of the Securitization Notes to be due and payable on an accelerated basis, and foreclose on the collateral securing the Securitization Notes. We do not currently have amounts on hand to pay such principal and maturity amounts, and any such acceleration or foreclosure would materially and adversely affect our business, financial condition, and liquidity, and could cause us to seek to reorganize through a bankruptcy proceeding.

Capitalized terms used in the following discussion are defined in the Base Indenture for the applicable Securitization Issuer, all of which are filed as exhibits to our most recent Annual Report on Form 10-K for the fiscal year ended December 29, 2024, filed on February 28, 2025.

Notice from Noteholders and Discussions

On August 22, 2025, Twin Royalty received a notice from counsel (the “August Letter”) on behalf of a group of noteholders holding a majority of the outstanding principal balance of the Twin Securitization Notes (the “Twin Majority Noteholders”) claiming that the payment of customary bonuses to Twin Hospitality’s management, in the aggregate amount of approximately \$2.2 million for their performance during fiscal year 2024, was paid from funds that should have been deposited into a collection account under the Twin Indenture. The Twin Majority Noteholders claim in the August Letter that such payment is a breach of certain provisions of the applicable Management Agreement, which they claim triggers a “Manager Termination Event” that gives the holders of the Twin Securitization Notes the right to remove Twin Hospitality as the manager of Twin Royalty.

The notice from the Twin Majority Noteholders further claims that (i) a Level I Qualified Equity Offering Trigger Event occurred in April 2025 and July 2025, and (ii) the P&I DSCR was less than 1.35x for the quarterly fiscal period ended June 2025, resulting in the commencement of a Cash Flow Sweeping Event, pursuant to which 50% and 100% of collections, respectively, were required to be used to amortize the Twin Securitization Notes. According to the Twin Majority Noteholders, the failure to pay principal under the Cash Flow Sweeping Event constituted an Event of Default pursuant to Section 9.2(b) of the Base Indenture. The notice from the Twin Majority Noteholders also claims that the failure to deliver a timely notice of the above events to the Trustee under the Twin Indenture constitutes a separate Event of Default under the Twin Indenture.

In addition, the August Letter was also on behalf of a group of noteholders holding a majority of the outstanding principal balance of the notes issued under each of the GFG Indenture, FB Royalty Indenture and Fazoli’s Indenture (collectively, the “FAT Brands Majority Noteholders”), as applicable, alleging that collections belonging to GFG Royalty, FB Royalty and Fazoli’s Royalty, as applicable, have been commingled with the funds of non-securitization entities at an account sitting outside of the securitizations. The FAT Brands Majority Noteholders allege such actions result in a covenant violation that would constitute a Default pursuant to Section 9.2(c) of the GFG Indenture, FB Royalty Indenture and Fazoli’s Indenture, as applicable, which provides that failure to comply in any material respect with Section 8.24 of the GFG Indenture, FB Royalty Indenture and Fazoli’s Indenture, as applicable, constitutes an Event of Default if such failure continues for a period of ten business days.

Notices from Trustee / Other Defaults

FAT Brands GFG Royalty I, LLC (“GFG Royalty”)

On August 11, 2025 and October 23, 2025, UMB Bank, National Association, as trustee (the “Trustee”), provided a “Notice of Potential Rapid Amortization Event” with respect to the Base Indenture, dated July 22, 2021 (the “GFG Indenture”), between GFG Royalty and the Trustee, and the Series 2022-1 Supplement to Base Indenture, dated December 15, 2022 (the “GFG Indenture Supplement”), between GFG Royalty and the Trustee. Such Notice stated that, pursuant to Section 5.9(b)(iv) of the GFG Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the GFG Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a written notice from the Control Party. The Trustee stated that it did not receive the Retained Collections in the Collection Account for the Monthly Allocation Dates under the GFG Indenture occurring on September 5, 2025 and October 10, 2025 and, therefore, a Potential Rapid Amortization Event has occurred and is continuing under the GFG Indenture.

To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a notice declaring that a Manager Termination Event has occurred under the GFG Indenture or a Termination Notice seeking to remove FAT Brands as Manager. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and FAT Brands could be removed as manager of GFG Royalty at any time.

On October 31, 2025 and following receipt of notice from us regarding such events, the Trustee provided a “Notice of Event of Default” with respect to the GFG Indenture, stating that, due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the GFG Indenture and under the GFG Indenture Supplement. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the GFG Notes and exercise remedies (including foreclosure) with respect to the assets of GFG Royalty and any Guarantors.

FAT Brands Royalty I, LLC (“FB Royalty”)

On August 11, 2025 and October 23, 2025, the Trustee provided a “Notice of Potential Rapid Amortization Event” with respect to the Amended and Restated Base Indenture, dated April 26, 2021 (the “FB Royalty Indenture”), between FB Royalty and the Trustee, and the Series 2022-1 Supplement to Base Indenture, dated June 30, 2022 (the “FB Royalty Indenture Supplement”), between FB Royalty and the Trustee. Such Notice stated that, pursuant to Section 5.9(b)(iv) of the FB Royalty Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the FB Royalty Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a written notice from the Control Party. The Trustee stated that it did not receive the Retained Collections in the Collection Account for the Monthly Allocation Dates under the FB Royalty Indenture occurring on September 5, 2025 and October 10, 2025, and therefore a Potential Rapid Amortization Event has occurred and is continuing under the FB Royalty Indenture.

To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a notice declaring that a Manager Termination Event has occurred under the FB Royalty Indenture or a Termination Notice seeking to remove FAT Brands as Manager. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and FAT Brands could be removed as Manager of FB Royalty at any time.

On October 31, 2025 and following receipt of notice from us regarding such events, the Trustee provided a “Notice of Event of Default” with respect to the FB Royalty Indenture, stating that due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the FB Royalty Indenture and under the FB Royalty Indenture Supplement. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the FB Notes and exercise remedies (including foreclosure) with respect to the assets of FB Royalty and any Guarantors.

FAT Brands Fazoli's Native I, LLC (“Fazoli's Royalty”)

On August 11, 2025 and October 23, 2025, the Trustee provided a “Notice of Potential Rapid Amortization Event” with respect to the Base Indenture, dated December 15, 2021 (the “Fazoli's Indenture”), between Fazoli's Royalty and the Trustee. Such Notice stated that pursuant to Section 5.9(b)(iv) of the Fazoli's Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the Fazoli's Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a written notice from the Control Party. The Trustee stated that it did not receive the Retained Collections in the Collection Account for the Monthly Allocation Dates under the Fazoli's Indenture occurring on September 5, 2025 and October 10, 2025, and therefore a Potential Rapid Amortization Event has occurred and is continuing under the Fazoli's Indenture.

On October 27, 2025, the Manager notified the Trustee that (i) a Manager Termination Event occurred under the Fazoli's Indenture because the Interest-Only DSCR under the Fazoli's Indenture as calculated as of the most recent Quarterly Calculation Date was 1.16x, which is less than the threshold of 1.20x provided in Section 6.1(a)(ii) of the Management Agreement for Fazoli's Royalty, and (ii) a Hot Back-up Management Trigger Event, as defined in the Back-up Management Agreement for Fazoli's Royalty, occurred as a result of such Manager Termination Event. To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a Termination Notice seeking to remove FAT Brands as Manager. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and FAT Brands could be removed as Manager of Fazoli's Royalty at any time.

On October 31, 2025 and following receipt of notice from us regarding such events, the Trustee provided a "Notice of Event of Default" with respect to the Fazoli's Indenture, stating that due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the Fazoli's Indenture. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the Fazoli's Notes and exercise remedies (including foreclosure) with respect to the assets of Fazoli's Royalty and any Guarantors.

FB Resid Holdings I, LLC ("FB Resid")

On November 3, 2025, the Trustee provided a "Notice of Event of Default" with respect to the Base Indenture, dated July 10, 2023 (the "FB Resid Indenture"), between FB Resid and the Trustee, and the Series 2024-1 Supplement to the FB Resid Indenture, dated November 21, 2024, between FB Resid and the Trustee. Such Notice stated that pursuant to Section 5.9(c) of the FB Resid Indenture, the Manager is obligated to deposit funds in the Collection Account under the FB Resid Indenture, but the Trustee has not received sufficient funds in the Collection Account for the most recent quarter, and the Trustee is unable to distribute funds pursuant to the terms of Section 5.11 of the FB Resid Indenture. As a result, an Event of Default has occurred pursuant to Section 9.2 of the FB Resid Indenture. As a result of such Event of Default and other potential Events of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the FB Resid notes and exercise remedies (including foreclosure) with respect to the assets of FB Resid and any Guarantors.

Twin Hospitality I, LLC (formerly FAT Brands Twin Peaks I, LLC) ("Twin Royalty")

Under the Base Indenture, dated November 21, 2024 (the "Twin Indenture"), between Twin Royalty and the Trustee, upon each Qualified Equity Offering, which is defined as a public or private offering of common equity securities for cash by Twin Royalty's parent company, Twin Hospitality Group Inc. ("Twin Hospitality"), Twin Hospitality is required, subject to certain limited exceptions, to use 75% of the net proceeds from such offerings towards the repayment of the notes issued under the Twin Indenture ("Twin Securitization Notes"), until an aggregate of \$75.0 million has been repaid in that manner. If the amount of net proceeds from Qualified Equity Offerings used for repayment of the Twin Securitization Notes is not at least \$25.0 million on or prior to each of April 25, 2025, July 25, 2025 and October 27, 2025, or is not at least \$75.0 million on or prior to January 26, 2026, then under any such circumstance, a Cash Flow Sweeping Event would occur, whereupon certain excess cash flows from Twin Royalty's operations are required to be used to make additional principal payments, on a pro rata basis, on the three most senior classes of the Twin Securitization Notes. Twin Hospitality did not satisfy the requirement to raise a Qualified Equity Offering and repay the Twin Securitization Notes in an amount equal to at least \$25.0 million on each of April 25, 2025 and July 25, 2025, and as such, a "Level 1 Qualified Equity Offering Trigger Event" and "Cash Flow Sweeping Event" under the Twin Securitization Notes have occurred.

Separately, on October 23, 2025, the Trustee provided a "Notice of Potential Rapid Amortization Event" with respect to the Twin Indenture. Such Notice stated that pursuant to Section 5.9(b)(iv) of the Twin Indenture, on the last business day of each month preceding a Monthly Allocation Date, the Manager is required to withdraw all Retained Collections with respect to the preceding Monthly Collection Period on deposit in the Concentration Account and deposit the same to the Collection Account. Pursuant to Section 6.1(a)(i) of the Management Agreement, failure to do so constitutes a Manager Termination Event, the assertion of which may be made by a Securitization Entity, the Back-Up Manager, the Control Party (acting at the direction of the Controlling Class Representative) or the Trustee (acting at the direction of the Control Party). In addition, pursuant to Section 9.1(b) of the Twin Indenture, the occurrence of a Manager Termination Event constitutes a Rapid Amortization Event to be declared by a written notice from the Control Party. The Trustee stated that it did not receive the Retained Collections in the Collection Account for the Monthly Allocation Date under the Twin Indenture occurring on October 10, 2025, and therefore a Potential Rapid Amortization Event has occurred and is continuing under the Twin Indenture.

To date, none of the Trustee, Control Party or the Controlling Class Representative has delivered a notice declaring that a Manager Termination Event has occurred under the Twin Indenture or a Termination Notice seeking to remove Twin

Hospitality as Manager of Twin Royalty. However, as noted above, we have taken actions during the fiscal quarter ended September 28, 2025 that would likely give rise to Events of Default and Manager Termination Events and Twin Hospitality could be removed as Manager of Twin Royalty at any time.

On October 30, 2025 and following receipt of notice from us regarding such events, the Trustee provided a “Notice of Event of Default” with respect to the Twin Indenture, stating that due to the events described in the Notice of Potential Rapid Amortization Event described above, the Trustee was unable to make payments due to the noteholders from the Collection Account as of the Quarterly Payment Date of October 27, 2025, and that such occurrence constituted an Event of Default pursuant to Section 9.2 of the Twin Indenture. As a result of such Event of Default, the Trustee, at the direction of the Control Party (acting at the direction of the Controlling Class Representative) may accelerate all amounts with respect to the Twin Notes and exercise remedies (including foreclosure) with respect to the assets of Twin Royalty and any Guarantors.

Dividends Arrearage

As of September 28, 2025, we had 8,608,389 shares of our Series B Cumulative Preferred Stock (“Preferred Stock”) outstanding with an aggregate liquidation preference of \$215.2 million. During the thirty-nine weeks ended September 28, 2025, we declared and paid cash dividends totaling \$2.9 million on our Preferred Stock. We have paused the payment of cash dividends on our Preferred Stock beginning with the monthly dividend period for April 2025, which dividends currently accrue and cumulate on the Preferred Stock until paid at the customary rate of \$2.0625 per year, or \$2.50 per year if dividends remain unpaid for 12 monthly periods. The total amount of accumulated and unpaid dividends on the Preferred Stock was \$8.9 million at September 28, 2025.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the fiscal quarter ended September 28, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

	Description	Incorporated By Reference to			Filed Herewith
		Form	Exhibit	Filing Date	
31.1	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
99.1	Notice of Pendency of Settlement of Derivative Actions				X
99.2	Amended Stipulation and Agreement of Compromise, Settlement, and Release				X
101.INS	Inline XBRL Instance Document				X (Furnished)
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X (Furnished)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X (Furnished)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X (Furnished)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X (Furnished)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X (Furnished)

SIGNATURE

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.

FAT BRANDS INC.

November 12, 2025

By /s/ Kenneth J. Kuick
Kenneth J. Kuick

Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

I, Andrew A. Wiederhorn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FAT Brands 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The registrant's other certifying officer(s) 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 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 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 report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) 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: November 12, 2025

/s/ Andrew A. Wiederhorn
Andrew A. Wiederhorn
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

I, Kenneth J. Kuick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FAT Brands 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The registrant's other certifying officer(s) 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 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 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 report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) 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: November 12, 2025

/s/ Kenneth J. Kuick
Kenneth J. Kuick
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATIONS OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of FAT Brands Inc., that, to his or her knowledge, the Quarterly Report of FAT Brands Inc. on Form 10-Q for the period ended September 28, 2025 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operation of the company.

Date: November 12, 2025

By /s/ Andrew A. Wiederhorn
Andrew A. Wiederhorn
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 12, 2025

By /s/ Kenneth J. Kuick
Kenneth J. Kuick
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to FAT Brands Inc. and will be retained by FAT Brands Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG
CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

C.A. No. 2021-0511-NAC

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG

C.A. No. 2022-0254-NAC

CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

NOTICE OF PENDENCY OF SETTLEMENT OF DERIVATIVE ACTIONS

**TO: ALL CURRENT STOCKHOLDERS OF FAT BRANDS, INC.
(TRADING SYMBOLS: NASDAQ: FAT, NASDAQ: FATBB)**

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LITIGATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT, OR FROM PURSUING THE RELEASED CLAIMS DEFINED HEREIN.

IF YOU DO NOT OBJECT TO THE PROPOSED SETTLEMENT, OR TO THE PROPOSED ATTORNEYS' FEE AND EXPENSE AMOUNT DESCRIBED IN THIS NOTICE, YOU ARE NOT OBLIGATED TO TAKE ANY ACTION.

I. WHY ARE YOU RECEIVING THIS NOTICE?

The purpose of this notice (the "Notice") is to inform you of: (i) lawsuits (the "Actions") in the Court of Chancery of the State of Delaware (the "Court") brought on behalf of FAT Brands, Inc. ("FAT" or the "Company"); (ii) a proposal to settle the Actions as provided in the Amended Stipulation and Agreement of Settlement, dated September 11, 2025 (the "Stipulation"), which sets forth the terms and

conditions of the proposed settlement of the Actions (the “Settlement”); and (iii) your right, among other things, to attend and participate in a hearing to be held on December 17, 2025 at 11:00 a.m. EST, in the Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 (or by telephonic or video means as may be designated by the Court (the “Settlement Hearing”). This Notice describes the rights you may have under the Stipulation and what steps you may, but are not required to, take concerning the proposed Settlement. If the Court approves the Settlement, the parties will ask the Court to approve an Order and Final Judgment (the “Final Judgment”) that would end the Action.¹

II. BACKGROUND TO THE ACTION AND THE SETTLEMENT

THE FOLLOWING DESCRIPTION OF THE ACTION HAS BEEN PREPARED BY COUNSEL FOR THE SPECIAL LITIGATION COMMITTEE AND THE SETTLING PARTIES. IT IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF ANY FINDINGS OF FACT, AND THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS. NOR SHOULD THE FOLLOWING DESCRIPTION BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

Plaintiffs James Harris and the Estate of Adam Christopher Vignola (“Plaintiffs”) are current stockholders of FAT. Nominal defendant FAT, a Delaware corporation with its headquarters in Beverly Hills, California, is a multi-brand franchising company that acquires, markets, and develops fast casual and casual dining restaurant concepts. Andrew Wiederhorn (“Wiederhorn”), Edward Rensi, James Neuhauser, and Squire Junger (collectively, the “Independent Director Defendants”) are all former members of FAT’s Board of Directors (the “Board”). Wiederhorn is the current Chairman of the Board and former Chief Executive Officer (“CEO”) of FAT. Wiederhorn, Fog Cutter Holdings, LLC (“Holdings”) and FCCG, Inc. (“FCCG” and, together with Wiederhorn and Holdings, the “Fog Cutter Defendants” and together with FAT and the Individual Defendants, the

¹ Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings assigned to them in the Stipulation.

“Defendants”)² were affiliated with Defendant Wiederhorn and were allegedly controlling stockholders of FAT at relevant times.

A. Summary of Plaintiff’s allegations in *Harris v. Junger, et al.*, C.A. No. 2021-0511-NAC (“*Harris I*”)

In *Harris I* Plaintiffs alleged that aside from a controlling stake in FAT, FCCG held little of material value apart from net operating loss (“NOLs”) carryforwards following FAT’s October 2017 initial public offering (“IPO”). Through his ownership of Holdings, Wiederhorn held a controlling stake in FCCG. Plaintiffs further alleged that Wiederhorn caused FCCG to repeatedly make tens of millions of dollars in cash advances to Wiederhorn in the form of “shareholder loans” following the FAT IPO, and contending that because FCCG had no source of cash flow to make these advancements, FCCG borrowed tens of millions of dollars from FAT pursuant to an intercompany promissory note issued in connection with the FAT IPO. By December 29, 2019, Wiederhorn’s shareholder loan balance had increased to over \$16.8 million. By June 28, 2020, FCCG had allegedly forgiven the entirety of the shareholder loan, while Wiederhorn continued to borrow. In April 2020, the Board authorized FAT to enter into a \$35 million Intercompany Revolving Credit Agreement (the “Intercompany Agreement”) with FCCG. Under this new agreement, FCCG funded additional cash advancements to Wiederhorn. By August, the amount owed under the Intercompany Agreement had increased to almost \$40 million.

On August 18, 2020, Wiederhorn proposed a transaction in which Fat Brands would acquire FCCG (the “Merger”). Through the Merger, the Fat Brands stock held by FCCG would be cancelled, FCCG stockholders would be issued Fat Brands common stock in the amount previously held by FCCG, and non-FCCG stockholders of FAT (including the Company’s directors) would receive a special dividend of dividend-bearing Fat Brands Series B Preferred Stock. The dividend at that time represented a value transfer away from FCCG to FAT’s non-FCCG stockholders. As part of this transaction, FAT would forgive borrowings made by FCCG under the Intercompany Agreement and assume much of FCCG’s debt, but preserve the use of FCCG’s NOL carryforwards, which FAT contended held significant value. The Board approved the Merger on December 10, 2024, and the Merger was consummated on December 24, 2020.

² Defendants and Plaintiffs are collectively referred to herein as the “Parties.”

Following a books and records investigation pursuant to Delaware General Corporation Law (“DGCL”) Section 220, Plaintiffs filed a Verified Stockholder Derivative Complaint (the “*Harris I* Complaint”) on June 10, 2021 in the Court of Chancery of the State of Delaware (the “Court”), captioned *Harris v. Junger, et al.*, C.A. No. 2021-0511-NAC. The *Harris I* Complaint asserted claims derivatively on behalf of Nominal Defendant FAT based upon, among other things, allegations that Wiederhorn and Holdings breached their fiduciary duties as controlling stockholders of FAT by causing the Merger and FAT’s entry into the Intercompany Agreement, that the Independent Director Defendants breached their fiduciary duties to FAT by approving the Merger, that Holdings was unjustly enriched by the Merger, and that the Independent Director Defendants and Wiederhorn breached their fiduciary duties to FAT through the waste of corporate assets by entering into the Intercompany Agreement and the original promissory note. The Individual Defendants have denied, and continue to deny, all of the wrongdoing alleged in the *Harris I* Complaint.

On August 5, 2021, Defendants filed a motion to dismiss the *Harris I* Complaint (the “*Harris I* Motion to Dismiss”), which was opposed by Plaintiffs. On February 11, 2022, the Court issued a bench ruling denying the *Harris I* Motion to Dismiss with respect to claims against Wiederhorn, Holdings, and two of the three Independent Director Defendants, and the Court took under advisement the unjust enrichment claim against Holdings and the claims against the third Independent Director Defendant (who was not a member of the Special Committee that recommended the Merger and did not vote on the Board’s approval of the Merger). In making its bench ruling, the Court held that, while the Merger appeared potentially fair to unaffiliated FAT stockholders because of the issuance of Series B Preferred Stock, Plaintiffs had alleged that the Merger was unfair to FAT and that it was “reasonably conceivable that [certain FAT] directors were acting either in self-interest or ... in bad faith.” The Court also held it to be reasonably conceivable that the Merger constituted corporate waste under Delaware law. On May 25, 2022, the Court denied the *Harris I* Motion to Dismiss with respect to the undecided claims in a written opinion, declining at the pleadings stage to find the unjust enrichment claim against Holdings duplicative of the fiduciary duty claim and holding it was “reasonably conceivable” that Plaintiffs had stated a claim against the third Independent Director Defendant given his participation in earlier negotiations regarding the Merger and approval of the Intercompany Agreement.

After initial document discovery, on January 31, 2023, the Company’s Board formed a Special Litigation Committee (the “Initial Special Litigation Committee”),

consisting of outside directors Amy Forrestal and Lynne Collier, to investigate, review and analyze the facts and circumstances surrounding the claims made in the *Harris I* Complaint. The Initial Special Litigation Committee was given the full power and authority of the Board to consider and determine on the Company's behalf whether or not prosecution of the claims presented in or related to the Action were in the best interests of the Company and its stockholders, and what actions the Company should take with respect to *Harris I*.

On February 3, 2023, the Initial Special Litigation Committee moved for a six-month stay of *Harris I* to conduct its independent investigation, with the assistance of its counsel. The Court granted the Initial Special Litigation Committee's stay motion, which Plaintiffs had opposed.

On March 28, 2023, Wiederhorn and Holdings caused all directors other than himself to be removed from the Board of Directors of FAT, including the Initial Special Litigation Committee. On April 4, 2023, Plaintiffs moved to lift the stay in *Harris I*. On April 5, 2023, the Court lifted the stay in *Harris I*.

On May 4, 2023, the FAT Board of Directors formed a new Special Litigation Committee, consisting of Lynne Collier, Mark Elenowitz, and Kenneth Kepp (the "Special Litigation Committee" or "SLC") to investigate, review and analyze the facts and circumstances surrounding the claims made in the *Harris I* Complaint, and to determine an appropriate course of action with respect thereto. The SLC retained the law firm of Morris Nichols Arsht & Tunnell, LLP to act as its legal advisor, and on May 8, 2023, moved to stay *Harris I*.

On May 10, 2023, the United States Department of Justice (the "DOJ") moved to intervene and stay discovery in *Harris I* pending the resolution of its investigation into the facts and circumstances underlying *Harris I*. On May 31, 2023, the Court issued an oral opinion granting the DOJ's motions to intervene and stay discovery in *Harris I*.

B. Summary of Plaintiff's allegations in *Harris v. Junger, et al.*, C.A. No. 2022-0254-NAC ("*Harris II*")

In *Harris II*, Plaintiffs alleged that following the Merger, FAT sought to expand by acquiring other restaurant chains using FAT stock as consideration. Continued issuances of FAT stock, however, threatened the dilution of Wiederhorn's controlling stake. Plaintiffs further alleged that in response to this dilution,

Wiederhorn proposed to amend FAT's Certificate of Incorporation to create a new class of super-voting stock (the "Recapitalization Transaction"). During this period, Plaintiffs alleged that FAT was also negotiating an acquisition that would have diluted Wiederhorn and Holdings below 50% ownership of FAT without consummation of the Recapitalization Transaction.

On June 29, 2021, the Board approved the Recapitalization Transaction to create, and issue to existing FAT stockholders on a pro rata basis, a new class of FAT common stock representing 2,000 votes per share. As a result of this new issuance, Holdings and Wiederhorn's control of FAT was decoupled from their economic ownership of FAT. Plaintiffs contended that the Board did not extract any consideration from Wiederhorn and Holdings in exchange for effective permanent control over FAT. On July 8, 2021, the Company filed a Preliminary Information Statement with the SEC representing that the Recapitalization Transaction had been approved by the written consent of a majority of the unaffiliated stockholders of FAT.

On March 17, 2022, and after a second books and records investigation pursuant to DGCL Section 220, Plaintiffs commenced *Harris v. Junger, et al.*, C.A. No. 2022-0254-NAC ("*Harris II*") by filing a complaint with the Court (the "*Harris II* Complaint"). The *Harris II* Complaint alleged that the Company received nothing in the Recapitalization Transaction in exchange for the granting of permanent control to Wiederhorn and Holdings. Plaintiffs also alleged that the Defendants had breached their fiduciary duties in connection with the Recapitalization Transaction claiming that the Board knew or should have known that certain written consents purportedly received by the Company were invalid and obtained through a materially false solicitation statement. The *Harris II* Complaint asserted claims derivatively on behalf of Nominal Defendant FAT against Wiederhorn, the Board, and Holdings. Plaintiffs alleged that Wiederhorn and the Board had breached their fiduciary duties to the Company as directors, that Wiederhorn and Holdings had breached their fiduciary duties to the Company as controlling stockholders, and that Wiederhorn and Holdings were unjustly enriched by the Recapitalization Transaction. Defendants denied, and continue to deny, all of the wrongdoing alleged in the *Harris II* Complaint.

On May 2, 2022, Defendants moved to dismiss the *Harris II* Complaint (the "*Harris II* Motion to Dismiss"), arguing that Plaintiffs failed to make a required pre-litigation demand on the FAT Board. On November 17, 2022, the Court held a hearing on the *Harris II* Motion to Dismiss. On April 5, 2023, at the same time that

the Court lifted the stay in *Harris I*, it also issued an order denying the *Harris II* Motion to Dismiss. In making its decision, the Court held that Plaintiffs had sufficiently pled facts supporting a conclusion that the Independent Director Defendants acted in bad faith in approving the Recapitalization Transaction, and that therefore Plaintiffs were excused from making a pre-litigation demand. Additionally, in denying the *Harris II* Motion to Dismiss, the Court held that “plaintiffs have sufficiently pled, for motion to dismiss purposes, that the special committee defendants acted for the controller's benefit without regard to the company's interests and got nothing in exchange for a transaction that was only favorable to the controller.” The Court noted, however, that its ruling was “a pleading-stage determination” and that “defendants were advised by very sophisticated counsel,” and “discovery may well reveal that defendants really were acting in the company's best interests.”

Following denial of the *Harris II* Motion to Dismiss, the parties engaged in initial document discovery. On July 14, 2023, the Special Litigation Committee determined to investigate the facts and circumstances underlying *Harris II*. On July 21, 2023, the SLC moved to stay *Harris II*, and the Court granted the Parties’ stipulation to stay *Harris II* on August 10, 2023, subject to the production of documents responsive to Plaintiffs’ outstanding document requests. During the pendency of the stays in *Harris I* and *Harris II*, the SLC, through its counsel, received and reviewed more than 190,000 documents to investigate the underlying factual and legal theories of liability advanced in the Actions, as well as potential theories of liability not advanced in the Actions. The SLC met regularly during its investigation and invited and received presentations from counsel for both the plaintiffs and the defendants. The SLC, through its counsel, conferred with attorneys for the DOJ from time to time to be kept apprised on the status of the Government’s work. Although the SLC did not complete its investigation nor did it conduct interviews given the overlay of an ongoing Government investigation and criminal trials, it concluded that it would not move to dismiss the Actions and that it would be in the best interests of the Company to achieve a global settlement of both Actions and to work with Plaintiffs’ counsel to try to achieve that end.

C. Further Developments in the Actions

FAT used approximately \$1.5 million of the NOLs in 2022 and approximately \$23.5 million of the NOLs in 2023.

Beginning in March 2024, the SLC, Plaintiffs, and Defendants began engaging in arm's-length negotiations concerning a possible settlement of *Harris I* and *Harris II*.

On May 9, 2024, the DOJ filed an indictment in the United States District Court for the Central District of California against Wiederhorn, FAT, and two other individuals alleging, among other things, that Wiederhorn caused FAT and FCCG to compensate him approximately \$47 million between 2010 and January 2021 through “distributions, which he [and others] categorized as ‘shareholder loans’” (the “Indictment”). *United States of America v. Wiederhorn, et al.*, No.: 2:24-cv-00295-RGK (C.D. Cal.) (the “California Court”). The Indictment provided notice that the United States would seek to have Mr. Wiederhorn, if convicted, forfeit “[a]ll right, title and interest to any property, real or personal, constituting, or derived from, any proceeds traceable to the offenses” alleged in the Indictment. On May 31, 2024, the DOJ filed a status report and proposed order with the Delaware Court requesting a further stay of *Harris I* until the resolution of the criminal charges against Wiederhorn and FAT. On June 3, 2024, the Delaware Court granted the request of the DOJ and stayed *Harris I* until the resolution of criminal charges against Wiederhorn and FAT. On June 14, 2024, the trial on the criminal charges against Wiederhorn and FAT was continued until October 28, 2025.

Following an all-day mediation session on January 3, 2025, the parties and the SLC reached an agreement in principle to settle all of the claims in *Harris I* and *Harris II*. This settlement was endorsed by the SLC.

On July 17, 2025, the trial on the criminal charges against Wiederhorn and FAT was continued until January 13, 2026. On July 29, 2025, the DOJ filed an unopposed motion to dismiss the Indictment, and on August 7, 2025, the California Court ordered the Indictment to be dismissed without prejudice against Wiederhorn and FAT.

On August 1, 2025, the Parties formalized their agreement and entered into an initial stipulation of settlement. On September 11, 2025, the Parties entered into the Stipulation, which sets forth the final terms and conditions of the Settlement.

On September 18, 2025, the Court entered the Scheduling Order providing for, among other things, the scheduling of the Settlement Hearing and the distribution of this Notice.

THE COURT HAS NOT DETERMINED THE MERITS OF PLAINTIFFS' CLAIMS OR THE DEFENSES THERETO. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW BY THE INDIVIDUAL DEFENDANTS OR THAT RECOVERY COULD BE HAD IN ANY AMOUNT IF THE ACTION WAS NOT SETTLED.

III. WHAT ARE THE TERMS OF THE SETTLEMENT?

THE TERMS AND CONDITIONS OF THE SETTLEMENT ARE SET FORTH IN DETAIL IN THE STIPULATION, WHICH HAS BEEN FILED WITH THE COURT. THIS NOTICE INCLUDES ONLY A SUMMARY OF VARIOUS TERMS OF THE SETTLEMENT AND DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ITS TERMS.

The proposed Settlement confers financial and corporate governance benefits upon FAT. Because the Action was brought derivatively by Plaintiffs on behalf of FAT, the benefits of the Settlement will go directly to the Company.

In consideration of the proposed Settlement, the Defendants shall pay, or cause to be paid, the aggregate amount of \$10,000,000 in cash (the "Cash Component") to FAT. Within twenty (20) calendar days after the Effective Date, the Fog Cutter Defendants shall surrender 200,000 shares of Twin Hospitality Group, Inc. Class A Common stock to FAT (the "Shares Component," and with the Cash Component, the "Settlement Payment").

Additionally, to settle the Action, Defendants have agreed that the Company will adopt, implement, and maintain the Corporate Governance Reforms set forth in Exhibit A to the Stipulation, which include amendments to FAT's Corporate Governance Guidelines and Audit Committee charter. Among other things, these Corporate Governance Reforms provide for:

- The hiring of a public company experienced Chief Financial Officer ("CFO"), controller, and general counsel.
- The creation of a standing Related Party Transactions Committee of the Board, comprised exclusively of directors that are independent under NASDAQ rules, to review and approve or reject all proposed transactions

between FAT and any officer or director of the corporation (or affiliated entity) for a period of at least three (3) years.

- Amending Andrew Wiederhorn's Consulting agreement to permit the Compensation Committee to determine the reasonableness of Mr. Wiederhorn's hourly billing, and to propose and make any agreed-to changes it may deem necessary.
- The charter of the Audit Committee to be amended to require that the audit committee shall hire and take guidance from independent and competent Delaware corporate counsel in considering any related party transaction.

IV. WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

If the Settlement is approved, the Court will enter a Final Judgment dismissing the Action with prejudice. Pursuant to the Final Judgment, and upon the Effective Date of the Settlement, the following releases will occur:

- (a) Plaintiffs, the SLC and all of its members, the Company, any Current FAT Stockholder, the Defendants, and all of their respective successors-in-interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall be deemed to have, and by operation of the Judgment (as defined in ¶ 11 of the Stipulation) approving this Settlement shall have, completely discharged, dismissed with prejudice on the merits, released and settled, to the fullest extent permitted by law, all claims, including Unknown Claims as defined *infra* and potential claims, whether they are asserted or unasserted, suspected or unsuspected, discovered or undiscovered, that Plaintiffs now have or may have had against Defendants for any matter arising from, relating to, or otherwise stemming from, whether directly or indirectly, the allegations and claims asserted in the Actions (the "Plaintiffs' Released Claims") against the Defendants, as well as their agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities (the "Defendant Releasees") or the members of the SLC, as well as each of their members and agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities (the "SLC Releasees"), and shall be forever barred and enjoined from commencing, instituting,

prosecuting, or continuing to prosecute any of the Plaintiffs' Released Claims against any of the Defendant Releasees or SLC Releasees.

Notwithstanding anything to the contrary herein, Plaintiffs' Released Claims shall not include: (i) any claims relating to the enforcement of the Settlement; (ii) claims purportedly on behalf of FAT to recover money damages or obtain other remedies for harm to FAT (if any) caused by (a) the reconstitution of the FAT Board and/or the removal, appointment or re-appointment of directors from the FAT Board in March 2023 sought by Richard Collura in Case No. 2024-1305-NAC pending in Delaware Chancery Court (the "*Collura* Action") and as identified and pled in the Complaint filed on December 17, 2024 therein (the "*Collura* Complaint"); (b) alleged misrepresentations relating to the civil and criminal investigations opened by the SEC and DOJ in November 2021 in certain of FAT's SEC filings from 2022 through 2024 alleged by Collura in the *Collura* Action and as identified and pled in the *Collura* Complaint; (c) alleged insider stock sales by Andrew Wiederhorn in 2022 and 2023 alleged by Collura in the *Collura* Action and as identified and pled in the *Collura* Complaint; and (d) alleged compensation and bonuses proposed, approved and awarded to identified officers and/or directors of the Company while the aforementioned government investigations were ongoing in 2022 and 2023 as identified and pled in the *Collura* Complaint. Additionally, nothing in this Stipulation shall be construed to in any way limit or impair any claims being brought or maintained by the DOJ or the SEC against any of the defendants named in the Actions.

For the avoidance of doubt, and notwithstanding any allegations or claims that have been or could have been asserted in the *Collura* Action, Plaintiffs' Released Claims shall include claims purportedly on behalf of FAT to recover money damages or obtain other remedies for harm to FAT (if any) caused by the 2020 merger between FAT and FCCG, the 2021 recapitalization transaction and/or any and all loans, loan agreements, promissory notes, intercompany credit agreements and/or forgiveness of loans as between FAT and FCCG and/or FCCG and Andrew Wiederhorn from 2017 through 2020.

- (b) The SLC and all of its members, the Company, and the Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such only, will

fully, finally and forever release, settle, and discharge, and shall forever be enjoined from prosecuting against Plaintiffs, their respective counsel, all agents, representatives, estates, insurers, reinsurers, and advisors of any of the foregoing (collectively, the “Plaintiff Releasees”), and the SLC Releasees, any and all claims, complaints, petitions, sanctions, or assertions of wrongdoing in any way, shape or form, including unknown claims, arising out of or relating to the Section 220 demands, or the investigation, commencement, prosecution or settlement of the Actions (the “Defendants’ Released Claims,” and together with Plaintiffs’ Released Claims, the “Released Claims”). Notwithstanding anything to the contrary herein, Defendants’ Released Claims shall not include any claims relating to the enforcement of the Settlement.

Until the Court decides whether to approve the Settlement, Plaintiffs and all other FAT stockholders acting or purporting to act on behalf of FAT are barred and enjoined from commencing, prosecuting, or in any way participating in the commencement or prosecution of, any action or other proceeding asserting any Released Claim against Defendants or any of the Released Persons.

Definitions

The Stipulation defines these capitalized terms as follows:

“Plaintiffs’ Released Claims” means any and all claims, including Unknown Claims as defined *infra*, whether they are asserted or unasserted, arising from, relating to, or otherwise stemming from the allegations set forth by Plaintiffs in the Actions (the “Plaintiffs’ Released Claims”) against the Defendants, as well as their agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities.

“Defendants’ Released Claims means any and all claims, complaints, petitions, sanctions, or assertions of wrongdoing in any way, shape or form, including unknown claims, arising out of or relating to the 220 demands, or the investigation, commencement, prosecution or settlement of the Actions against Plaintiffs, their respective counsel, and all agents, representatives, estates, insurers, reinsurers, and advisors of any of the foregoing.

“Unknown Claims” means any and all claims belonging to Plaintiffs, FAT stockholders, or Defendants within the scope of the releases, known or unknown,

suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. With respect to any and all Released Claims, the Settling Parties agree that upon the Effective Date, the Settling Parties shall expressly waive, and all FAT stockholders acting or purporting to act on behalf of FAT shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived the provisions, rights, and benefits conferred by or under California Civil Code Section 1542, or any other law of the United States or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those now known or believed to be true by them with respect to the subject matter of the Released Claims, but it is the intention of the Settling Parties to completely, fully, finally, and forever compromise, settle, release, and discharge any and all Released Claims, known or unknown, suspected or unsuspected, contingent or fixed, accrued or unaccrued, apparent or unapparent, which do now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Settling Parties acknowledge, and FAT's stockholders shall be deemed by operation of the Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Stipulation of which this release is a part, and was relied upon by each and all of the Defendants in entering into the Settlement.

V. WHAT ARE THE REASONS FOR SETTLING THE ACTION?

Plaintiffs' entry into the Settlement is not intended to be and shall not be construed as an admission or concession concerning the relative strength or merit of the claims alleged in the Actions. Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Actions through trial and possible appeals. Plaintiffs and Plaintiffs' Counsel also have taken into account the considerable value obtained for

FAT by the Settlement, the uncertain outcome and the risk of further litigation, especially in complex cases such as this Actions, as well as the difficulties and delays inherent in such litigation (particularly in light of the concurrent criminal prosecution in the California Court), and they are also mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in the Actions. Based on the foregoing and Plaintiffs' Counsel's thorough investigation and analysis of the relevant facts, allegations, defenses, and controlling legal principles, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement is, under the circumstances present here, fair, reasonable, adequate, and in the best interests of FAT and FAT's stockholders.

The Defendants have denied, and continue to deny, any and all allegations of wrongdoing or liability arising out of or relating in any way to the events, conduct, statements, acts, or omissions alleged in the Action. Without limiting the foregoing, the Defendants have denied, and continue to deny, among other things: that they breached any fiduciary duties or any other duty owed to FAT or its stockholders in connection with the Merger or Recapitalization Transactions; that they were unjustly enriched as a result of any breach of fiduciary duty or other act, omission, or conduct; that they committed any waste of FAT's corporate assets; that they committed any violations of law or wrongdoing whatsoever; or that Plaintiffs, FAT, or FAT's stockholders suffered any damage or were harmed as a result of any act, omission, or conduct by the Defendants alleged in the Action or otherwise. The Defendants have further asserted, and continue to assert, that at all relevant times, they acted in good faith and in a manner that they reasonably believed to be in the best interests of FAT and its stockholders. Defendants have entered into the Settlement solely to eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation, without admitting any wrongdoing or liability whatsoever.

VI. HOW WILL THE ATTORNEYS GET PAID?

Before final approval of the proposed Settlement, Plaintiffs' Counsel intends to petition the Court for an award of attorneys' fees in an aggregate amount of up to \$3,250,000, plus reimbursement of reasonable expenses incurred in connection with the Action not to exceed \$350,000 (the "Fee & Expense Award"). Neither Defendants nor their insurers shall have any financial obligation with respect to the Settlement beyond the amount of the Settlement Amount. Plaintiffs further intend to seek a service award to be paid to Plaintiffs to compensate them for their time, effort and expenditures in furtherance of this litigation, to be paid exclusively from the Fee & Expense Award (the "Service Award"). Defendants take no position as to

Plaintiffs' petition for a Fee & Expense Award and/or the request for a Service Award. Any potential Fee & Expense Award shall be paid by the Company, and any Service Award shall be paid out of any Fee & Expense Award ordered by the Court.

Any failure by the Court to approve a Fee & Expense Award or Service Award in any particular amount, or at all, shall not affect the validity of the Settlement, affect or delay the enforceability of the Settlement, or provide any of the Settling Parties with the right to terminate the Settlement.

VII. WHEN WILL THE SETTLEMENT HEARING TAKE PLACE?

The Court has scheduled a Settlement Hearing to be held on December 17, 2025 at 11:00 a.m. EST, in the Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 (or by telephonic or video means as may be designated by the Court). At the Settlement Hearing, the Court will consider whether the terms of the Settlement are fair, reasonable, and adequate and thus should be finally approved, whether the Fee and Expense Amount should be approved, and whether the Action should be dismissed with prejudice by entry of the Final Judgment pursuant to the Stipulation. The Court will also hear and determine objections, if any, to the proposed Settlement and the Fee and Expense Amount and rule on such other matters as the Court may deem appropriate. The Court may adjourn the Settlement Hearing from time to time without further notice to anyone other than the Parties and any Objectors (as defined below). The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modifications as may be consented to by the Parties and without further notice.

VIII. DO I HAVE A RIGHT TO APPEAR AND OBJECT?

Any stockholder of FAT who objects to the Settlement, the proposed Final Judgment to be entered, and/or the Fee and Expense Amount who wishes to be heard (an "Objector"), may appear in person or by his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Final Judgment to be entered thereon, unless he, she, or it has, no later than ten (10) calendar days before the Settlement Hearing (unless the Court in its discretion shall thereafter

otherwise direct, upon application of such Person and for good cause shown), filed with the Register in Chancery, Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, and served upon counsel listed below, the following: (i) proof of current ownership of FAT stock; (ii) a written notice of the Objector's intention to appear that states the Objector's name, address, and telephone number and, if represented, the Objector's counsel; (iii) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard; and (iv) all documents or writings which the Objector desires the Court to consider. Such filings must be served upon the following counsel by hand delivery, overnight mail, or the Court's electronic filing and service system:

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*Attorneys for the Special Litigation
Committee of the Board of Directors of
FAT Brands, Inc.*

Any Person who fails to object in the manner prescribed above shall be deemed to have waived such objection (including the right to appeal), unless the Court in its discretion allows such objection to be heard at the Settlement Hearing, and shall forever be barred from raising such objection in the Action, or any other action or proceeding, or otherwise contesting the Settlement or the Fee and Expense Amount, and will otherwise be bound by the Final Judgment to be entered and the releases to be given.

IX. HOW DO I GET ADDITIONAL INFORMATION?

This Notice summarizes the proposed Settlement. It is not a complete statement of the events of the Action or the terms and conditions of the Stipulation. For additional information about the Action and the Settlement, please refer to the documents filed with the Court, including the Stipulation. You may examine the Court files during regular business hours of each business day at the office of the Register in Chancery, Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. The Clerk's office will not mail copies of documents to you. For more information concerning the Settlement, you may also call or write to the counsel referenced in Section VIII hereto.

PLEASE DO NOT WRITE TO OR CALL THE COURT.

BY ORDER OF THE COURT

Dated: _____
Register in Chancery

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG
CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

C.A. No. 2021-0511-NAC

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG

C.A. No. 2022-0254-NAC

CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

**AMENDED STIPULATION AND AGREEMENT OF
COMPROMISE, SETTLEMENT, AND RELEASE**

This Amended Stipulation and Agreement of Compromise, Settlement, and Release (the “Stipulation,” the terms of which are the “Settlement”), dated as of September 11, 2025, is entered into between: (i) the Special Litigation Committee of the Board of Directors of FAT Brands Inc. (the “Special Litigation Committee” or “SLC”); (ii) James Harris and the Estate of Adam Christopher Vignola, plaintiffs in the above-captioned actions (“Plaintiffs”); (iii) Squire Junger (“Junger”), James Neuhauser (“Neuhauser”), and Edward H. Rensi (“Rensi,” and collectively with Junger and Neuhauser, the “Independent Director Defendants”); (iv) Andrew A. Wiederhorn (“Wiederhorn”), Fog Cutter Holdings, LLC (“Holdings”), and Fog Cutter Capital Group, Inc. (“FCCG,” and collectively with Holdings and Wiederhorn, the “Fog Cutter Defendants”); and (v) Nominal Defendant FAT Brands Inc. (“FAT” or the “Company,” and together with the Independent Director

Defendants and Fog Cutter Defendants, the “Defendants,” and the Defendants and Plaintiffs together, the “Parties”). The Parties intend for this Stipulation to fully, finally, and forever resolve, discharge, and settle the actions captioned *Harris v. Junger, et al.*, C.A. No. 2021-0511-NAC (“*Harris I*”) and *Harris v. Junger, et al.*, C.A. No. 2022-0254-NAC (“*Harris II*” and together with *Harris I*, the “Actions”) and the Released Claims (as defined in ¶ 8, below), subject to approval of the terms and conditions of the Settlement by the Court of Chancery of the State of Delaware (the “Court”);

WHEREAS, Plaintiffs are stockholders of the Company and were stockholders during all relevant times;

WHEREAS, following a books and records investigation pursuant to Delaware General Corporation Law (“DGCL”) Section 220, Plaintiffs filed a Verified Stockholder Derivative Complaint on June 10, 2021 (C.A. No. 2021-0511-NAC) (the “*Harris I* Complaint”);

WHEREAS, the *Harris I* Complaint asserted claims derivatively on behalf of Nominal Defendant FAT based upon, among other things, alleged breaches of fiduciary duties, unjust enrichment, and waste of corporate assets stemming from the approval of a 2020 merger between FAT and FCCG;

WHEREAS, the *Harris I* Complaint sought the following, among other, relief:

(i) A finding that Defendants breached their fiduciary duties to the Company;

(ii) An order finding the 2020 merger between FAT and FCCG to be invalid and ordering rescission and/or awarding compensatory damages;

(iii) An award for the Company of the amount of damages it sustained as a result of Defendants' alleged breaches of fiduciary duties and waste of corporate assets and, if applicable, pre-judgment and post-judgment interest; and

(iv) An award for Plaintiffs of the costs, expenses, and disbursements in connection with the Actions, including any attorneys' and experts' fees;

WHEREAS, on August 5, 2021, Defendants moved to dismiss the *Harris I* Complaint (the "*Harris I* Motion to Dismiss");

WHEREAS, on February 11, 2022, following briefing in connection with the *Harris I* Motion to Dismiss and oral argument, the Court issued an order denying the *Harris I* Motion to Dismiss with respect to all claims other than the unjust enrichment claims and the claims against Junger, and the Court took under advisement the *Harris I* Motion to Dismiss with respect to those undecided claims;

WHEREAS, following a second books and records investigation pursuant to DGCL Section 220, Plaintiffs filed a separate Verified Stockholder Derivative Complaint on March 17, 2022 (C.A. No. 2022-0254-NAC) (the "*Harris II* Complaint");

WHEREAS, the *Harris II* Complaint asserted claims derivatively on behalf of Nominal Defendant FAT based upon, among other things, alleged breaches of

fiduciary duties and unjust enrichment stemming from the approval of a 2021 recapitalization transaction;

WHEREAS, the *Harris II* Complaint sought the following, among other, relief:

(i) A finding that the Defendants breached their fiduciary duties to the Company;

(ii) An order finding FAT's 2021 recapitalization transaction to be invalid and ordering rescission and/or awarding compensatory damages;

(iii) An award for the Company of the amount of damages it sustained as a result of Defendants' alleged breaches of fiduciary duties and waste of corporate assets and, if applicable, pre-judgment and post-judgment interest; and

(iv) An award for Plaintiffs of the costs, expenses, and disbursements in connection with the Actions, including any attorneys' and experts' fees;

WHEREAS, on May 2, 2022, Defendants moved to dismiss the *Harris II* Complaint (the "*Harris II* Motion to Dismiss");

WHEREAS, on January 31, 2023, the Board of Directors of FAT formed a special litigation committee consisting of Amy V. Forrestal ("Forrestal") and Lynne L. Collier ("Collier") (the "Initial Special Litigation Committee") to investigate the facts and circumstances surrounding the allegations of *Harris I*;

WHEREAS, on February 3, 2023, the Initial Special Litigation Committee moved to stay *Harris I* for six months;

WHEREAS, on February 13, 2023, *Harris II* was reassigned to Vice Chancellor Cook;

WHEREAS, on February 17, 2023, *Harris I* was reassigned to Vice Chancellor Cook;

WHEREAS, on February 17, 2023, the Court granted the stay request of the Initial Special Litigation Committee and stayed *Harris I*;

WHEREAS, on March 28, 2023, all directors other than Wiederhorn were removed from the Board of Directors of FAT and Wiederhorn thereafter appointed Donald Berchtold, Tyler Child, Kenneth Kepp, Carmen Vidal, Mason Wiederhorn, Taylor Wiederhorn, and Thayer Wiederhorn to the FAT Board of Directors;

WHEREAS, on March 29, 2023, Collier was reappointed to the FAT Board of Directors;

WHEREAS, on April 1, 2023, Mark Elenowitz (“Elenowitz”) was appointed to the FAT Board of Directors;

WHEREAS, on April 4, 2023, Plaintiffs moved to lift the stay in *Harris I* on the allegation that all members of the Initial Special Litigation Committee (along with all other members of the Board except Wiederhorn) were removed from the Board on March 28, 2023 by the Company’s majority stockholder, Holdings;

WHEREAS, on April 5, 2023, and upon Plaintiffs' request, the Court issued an oral opinion lifting the stay in *Harris I* on the basis of the removal and reconstitution of the FAT Brands Board of Directors described above;

WHEREAS, on April 5, 2023, the Court issued an oral opinion denying the *Harris II* Motion to Dismiss;

WHEREAS, on May 4, 2023, the FAT Board of Directors formed the Special Litigation Committee (the "SLC"), consisting of Collier, Elenowitz, and Kenneth Kepp.¹ The SLC was authorized to investigate Plaintiffs' claims and to determine an appropriate course of action with respect thereto, and all such determinations were deemed final and binding upon the Company, not subject to review by the full board;

WHEREAS, the SLC retained the law firm of Morris Nichols Arsht & Tunnell, LLP to act as its legal advisor;

WHEREAS, on May 8, 2023, the SLC moved to stay *Harris I*;

WHEREAS, on May 10, 2023, the United States Department of Justice (the "DOJ") moved to intervene in *Harris I* and stay discovery in *Harris I* pending the resolution of its investigation into the facts and circumstances underlying *Harris I*;

¹ On June 13, 2023, Mr. Kepp passed away, leaving the SLC comprised of Collier and Elenowitz.

WHEREAS, on May 31, 2023, the Court issued an oral opinion granting the DOJ's motions to intervene and stay discovery in *Harris I*;

WHEREAS, on July 14, 2023, the SLC determined to investigate the facts and circumstances underlying *Harris II*;

WHEREAS, on July 21, 2023, the SLC moved to stay *Harris II*;

WHEREAS, on August 10, 2023, the Court granted the Parties' stipulation to stay *Harris II*;

WHEREAS, on May 9, 2024, a federal grand jury returned an indictment against Wiederhorn, FAT, and two other individuals alleging, among other things, that Wiederhorn caused FAT and FCCG to compensate him approximately \$47 million between 2010 and January 2021 through illegal means (the "Indictment");

WHEREAS, the Indictment provided notice that the United States intends to seek forfeiture as part of any sentence in the event of a conviction of Wiederhorn;

WHEREAS, on May 31, 2024, the DOJ filed a status report and proposed order with the Court requesting a further stay of *Harris I* until the resolution of the criminal charges against Wiederhorn and FAT;

WHEREAS, on June 3, 2024, the Court granted the request of the DOJ and stayed *Harris I* until the resolution of criminal charges against Wiederhorn and FAT;

WHEREAS, on December 17, 2024, Twin Hospitality Group, Inc. ("Twin") caused the filing of a Form 10-12B/A for the registration of securities, with a

Preliminary Information Statement dated December 17, 2024 describing a spin-off transaction in which certain FAT subsidiaries would be contributed to Twin, and Twin common stock would be listed on the NASDAQ Capital Market (the “Twin Spin-off”);

WHEREAS, as a result of the Twin Spin-off, FAT would hold approximately 95% of Twin common stock and FAT’s stockholders would receive the remaining Twin common stock in the form of a dividend;

WHEREAS, Plaintiffs’ counsel obtained and reviewed extensive document discovery produced in the Actions from the Parties and third parties, totaling approximately 175,000 documents, and prepared for depositions that were about to occur imminently when the Court granted the first stay in *Harris I*;

WHEREAS, during the pendency of the stays in *Harris I* and *Harris II*, the SLC, through its counsel, received and reviewed more than 190,000 documents to investigate the underlying factual and legal theories of liability advanced in the Actions, as well as potential theories of liability not advanced in the Actions. The SLC met regularly during its investigation and invited and received presentations from counsel for both the plaintiffs and the defendants. The SLC, through its counsel, conferred with attorneys for the DOJ from time to time to be kept apprised on the status of the Government’s work. Although the SLC did not complete its investigation nor did it conduct interviews given the overlay of an ongoing

Government investigation and criminal trials, it concluded that it would not move to dismiss the Actions and that it would be in the best interests of the Company to achieve a global settlement of both Actions and to work with Plaintiffs' counsel to try to achieve that end.;

WHEREAS, on January 8, 2025, the Parties and the SLC participated in a mediation (the "Mediation") before the Honorable Joseph R. Slights III (the "Mediator"), a former Vice Chancellor of the Court of Chancery;

WHEREAS, at the conclusion of the Mediation session, the Parties and the SLC agreed to a settlement in principle, pursuant to which: (i) Defendants will pay, or cause to be paid on their behalf, \$10,000,000 to FAT; (ii) Defendant Fog Cutter will surrender 200,000 shares of Twin common stock to FAT; and (iii) the Company will implement corporate governance reforms substantially in the form attached hereto as Exhibit A (the "Governance Reforms");

WHEREAS, the Parties and the SLC acknowledge that the Settlement was primarily caused in all respects by the efforts of Plaintiffs and Plaintiffs' counsel;

WHEREAS, on January 10, 2025, Twin filed an amendment to its Preliminary Information Statement noting that at the time of the Twin Spin-off, each share of FAT Class A Common and Class B Common stock would receive 0.1520207 shares of Twin common stock, and that the Twin Spin-off would be effective as of 4:30 p.m., New York City time, on January 29, 2025;

WHEREAS, based on its investigation into the claims asserted in the Actions and potential additional claims arising from the same operative facts, the SLC, on behalf of FAT, has concluded that (i) the Settlement is in the best interests of FAT, (ii) the Settlement confers substantial benefits upon FAT and Current FAT Stockholders (as defined *infra* in ¶ 12), and (iii) the interests of FAT and Current FAT Stockholders would best be served by settlement of the Actions and related claims on the terms and conditions set forth herein;

WHEREAS, the SLC is a signatory to this Stipulation and fully supports the Settlement because it confers substantial benefits on FAT, and the SLC considers the terms of the Settlement to be fair to and in the best interests of FAT and Current FAT Stockholders;

WHEREAS, Plaintiffs believe that the claims asserted in the Actions have merit, but also believe that the Settlement provides substantial and immediate benefits to FAT and Current FAT Stockholders. In addition to these substantial benefits, Plaintiffs and Plaintiffs' counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the Actions; (ii) the work undertaken by the SLC and its conclusion that the Actions should be resolved; (iii) the probability of success on the merits; (iv) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the Actions; (v) the desirability of permitting the Settlement to be consummated according to its terms;

(vi) the expense and length of continued proceedings necessary to prosecute the Actions against the Defendants through trial and appeals; (vii) the impact of the Indictment and potential forfeiture(s) on the Actions and upon Plaintiffs' efforts to recover any damages against the Defendants, including further stays, delays and difficulty in recovering against Defendants; (viii) wastage and exhaustion of Defendants' directors and officers insurance, and other factors that indicate that enforcement of any judgment(s) against Defendants would be difficult, risky, and time consuming; (ix) the potential impact of any criminal or civil forfeiture that may be imposed against any of the Defendants in connection with the Indictment; and (x) the conclusion of the SLC, the SLC's counsel, Plaintiffs, and Plaintiffs' counsel that the terms and conditions of the Settlement are fair, reasonable, and adequate, and that it is in the best interests of FAT and Current FAT Stockholders to settle the Actions on the terms set forth herein;

WHEREAS, at all times, each of the Independent Director Defendants and Fog Cutter Defendants has denied, and continues to deny, the allegations of wrongdoing in the *Harris I* Complaint and *Harris II* Complaint, including that he or it committed a breach of a fiduciary duty;

WHEREAS, each of the Independent Director Defendants and Fog Cutter Defendants expressly maintain that he or it has at all times complied with his or its fiduciary and other legal duties, and deny that FAT or its stockholders were harmed

by any conduct or lack thereof of the Independent Director Defendants and Fog Cutter Defendants alleged in the Actions or that could have been alleged therein; and

WHEREAS, Defendants expressly maintain that they are entering into this Stipulation solely because the Settlement will eliminate the burden, expense, distraction, and uncertainties inherent in further litigation.

NOW, THEREFORE, IT IS STIPULATED AND AGREED, in consideration of the benefits set forth below, and subject to the approval of the Court pursuant to Court of Chancery Rule 23.1, that the Actions and the Released Claims shall be compromised, settled, released, and dismissed with prejudice on the merits and without costs (except as provided below), subject to the following terms and conditions:

SETTLEMENT CONSIDERATION

1. Within twenty (20) calendar days after the Effective Date (as defined in ¶ 19), the Independent Director Defendants and Fog Cutter Defendants shall pay, or cause to be paid, the aggregate amount of \$10 million in cash (the “Cash Component”) to FAT. Such payment shall be in part from FAT’s directors’ and officers’ insurance (the “FAT Insurer Payment,” which shall be the sole contribution by the Independent Director Defendants) and in part from the Fog Cutter Defendants’ directors’ and officers’ insurance. For the avoidance of doubt, aside

from being a cause of the FAT Insurer Payment, the Independent Director Defendants shall not have any liability or responsibility for the Cash Component.

2. Within twenty (20) calendar days after the Effective Date, the Fog Cutter Defendants shall surrender 200,000 shares of Twin Class A Common stock to FAT (the “Shares Component,” and with the Cash Component, the “Settlement Payment”).

3. The Settlement requires, and shall be conditioned upon, the FAT Board’s approval and implementation of the corporate governance matters set forth in Exhibit A within fourteen (14) calendar days of the Effective Date, to the extent not already implemented as of the date of this Stipulation.

4. Defendants acknowledge that Plaintiffs’ prosecution of the claims in these Actions was the cause of the Settlement.

5. If the Court declines to approve the Settlement, the Settlement is terminated, or the Effective Date otherwise fails to occur, the Cash Component and any interest accrued thereon shall be returned to the insurance carriers that funded the Cash Component.

6. If the Court declines to approve the Settlement, the Settlement is terminated, or the Effective Date otherwise fails to occur, the shares of Twin common stock shall not be surrendered by Fog Cutter.

RELEASE OF CLAIMS

7. Release of Defendant Releasees: Upon the Effective Date, Plaintiffs, the SLC and all of its members, the Company, any Current FAT Stockholder, the Defendants, and all of their respective successors-in-interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall be deemed to have, and by operation of the Judgment (as defined in ¶ 11) approving this Settlement shall have, completely discharged, dismissed with prejudice on the merits, released and settled, to the fullest extent permitted by law, all claims, including Unknown Claims as defined *infra* and potential claims, whether they are asserted or unasserted, suspected or unsuspected, discovered or undiscovered, that Plaintiffs now have or may have had against Defendants for any matter arising from, relating to, or otherwise stemming from, whether directly or indirectly, the allegations and claims asserted in the Actions (the “Plaintiffs’ Released Claims”) against the Defendants, as well as their agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities (the “Defendant Releasees”) or the members of the SLC, as well as each of their members and agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities (the “SLC Releasees”), and shall be forever barred and enjoined from

commencing, instituting, prosecuting, or continuing to prosecute any of the Plaintiffs' Released Claims against any of the Defendant Releasees or SLC Releasees. Notwithstanding anything to the contrary herein, Plaintiffs' Released Claims shall not include: (i) any claims relating to the enforcement of the Settlement; (ii) claims purportedly on behalf of FAT to recover money damages or obtain other remedies for harm to FAT (if any) caused by (a) the reconstitution of the FAT Board and/or the removal, appointment or re-appointment of directors from the FAT Board in March 2023 sought by Richard Collura in Case No. 2024-1305-NAC pending in Delaware Chancery Court (the "*Collura* Action") and as identified and pled in the Complaint filed on December 17, 2024 therein (the "*Collura* Complaint"); (b) alleged misrepresentations relating to the civil and criminal investigations opened by the SEC and DOJ in November 2021 in certain of FAT's SEC filings from 2022 through 2024 alleged by Collura in the *Collura* Action and as identified and pled in the *Collura* Complaint; (c) alleged insider stock sales by Andrew Wiederhorn in 2022 and 2023 alleged by Collura in the *Collura* Action and as identified and pled in the *Collura* Complaint; and (d) alleged compensation and bonuses proposed, approved and awarded to identified officers and/or directors of the Company while the aforementioned government investigations were ongoing in 2022 and 2023 as identified and pled in the *Collura* Complaint. Additionally, nothing in this Stipulation shall be construed to in any way limit or impair any claims being brought

or maintained by the DOJ or the SEC against any of the defendants named in the Actions. For the avoidance of doubt, and notwithstanding any allegations or claims that have been or could have been asserted in the *Collura* Action, Plaintiffs' Released Claims shall include claims purportedly on behalf of FAT to recover money damages or obtain other remedies for harm to FAT (if any) caused by the 2020 merger between FAT and FCCG, the 2021 recapitalization transaction and/or any and all loans, loan agreements, promissory notes, intercompany credit agreements and/or forgiveness of loans as between FAT and FCCG and/or FCCG and Andrew Wiederhorn from 2017 through 2020.

8. **Release of Plaintiff Releasees:** The SLC and all of its members, the Company, and the Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such only, will fully, finally and forever release, settle, and discharge, and shall forever be enjoined from prosecuting against Plaintiffs, their respective counsel, all agents, representatives, estates, insurers, reinsurers, and advisors of any of the foregoing (collectively, the "Plaintiff Releasees," and together with the Defendant Releasees and SLC Releasees, the "Released Persons"), and the SLC Releasees, any and all claims, complaints, petitions, sanctions, or assertions of wrongdoing in any way, shape or form, including unknown claims, arising out of or relating to the Section 220 demands, or the investigation, commencement, prosecution or

settlement of the Actions (the “Defendants’ Released Claims,” and together with Plaintiffs’ Released Claims, the “Released Claims”). Notwithstanding anything to the contrary herein, Defendants’ Released Claims shall not include any claims relating to the enforcement of the Settlement.

9. **Release of Unknown Claims:** With respect to the releases set forth in ¶¶ 7 and 8 *supra*, the Parties stipulate and agree that Plaintiffs, the SLC, and Defendants expressly waive any and all provisions, rights, and benefits conferred by Cal. Civ. Code § 1542 or any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs, the SLC, and Defendants acknowledge that they may discover facts in addition to or different from those now known or believed to be true with respect to those releases, but that it is the intention of Plaintiffs, the SLC, and Defendants to completely, fully, finally, and forever extinguish any and all claims within the scope of those releases, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts (the “Unknown Claims”). Plaintiffs, the

SLC, and Defendants acknowledge that the inclusion of “unknown claims” in ¶¶ 7 and 8 was separately bargained for and was a key element of the Settlement.

CONDITIONS OF THE SETTLEMENT

10. The Settlement shall be null and void and of no force and effect if the terms of the Settlement do not receive Final Court Approval (as defined in ¶ 19) in which case the Parties shall revert back to their litigation positions prior to entering into this Stipulation. For the avoidance of doubt, the Parties agree that Court approval of the Fee and Expense Application (defined below) is not a condition precedent to the Settlement or Final Court Approval thereof.

SUBMISSION AND APPLICATION TO THE COURT

11. As soon as practicable, the Plaintiffs’ counsel shall move to lift the stay of proceedings in *Harris II* and move to consolidate or coordinate *Harris I* and *Harris II* to permit the submission of this Stipulation together with its Exhibits to the Court, and the SLC will not oppose the relief sought in such Motions, and the Parties shall apply jointly for entry of an order (the “Scheduling Order”), substantially in the form attached hereto as Exhibit B, providing for, among other things: (i) approval of the form and content of the proposed notice of the Settlement; and (ii) a date for the final settlement hearing (the “Settlement Hearing”). At the Settlement Hearing, the SLC and the Parties shall jointly request that the Final Order and Judgment (the “Judgment”) be entered substantially in the form attached as

Exhibit D. The Parties agree to jointly seek the scheduling of the Settlement Hearing to take place no earlier than sixty (60) days following the distribution of notice in accordance with ¶ 12.

12. Within fifteen (15) business days after the entry of the Scheduling Order, FAT shall mail, or cause to be mailed, by first class U.S. mail or other mail service if mailed outside the U.S., postage prepaid, the Notice, substantially in the form attached hereto as Exhibit C, to all record holders of FAT stock as of the date of this Stipulation (the “Current FAT Stockholders”). All stockholders of record who are not also the beneficial owners of the shares of the Company’s common stock held by the stockholder of record shall be requested to forward the Notice to the beneficial owners of those shares. The Company shall also use reasonable efforts to give notice to all beneficial owners by: (i) making additional copies of the Notice available to any record holder who, prior to the Settlement Hearing, requests the same for distribution to beneficial owners by physical mailing or by electronic means; and (ii) mailing or transmitting by electronic means additional copies of the Notice to beneficial owners as reasonably requested by record holders who provide names and addresses for such beneficial holders.

13. Within fifteen (15) business days after the entry of the Scheduling Order, FAT shall post a copy of the Stipulation and all exhibits thereto on the Company’s website continuously through the date of the Settlement Hearing, and

shall post copies of all settlement briefing on the Company's website promptly after the filing of such briefing continuously through the date of the Settlement Hearing.

14. The Company shall announce the Settlement in a report on Form 8-K to be filed with the SEC, and shall attach the Notice as an exhibit thereto. The Company shall further disclose the Settlement in its first Quarterly Report on Form 10-Q following the entry of the Scheduling Order, and shall append the Notice and Stipulation as an exhibit.

15. The Parties submit that the proposed content and manner of notice constitutes adequate and reasonable notice to Current FAT Stockholders pursuant to applicable law and due process.

16. The SLC and Plaintiffs shall jointly move for final approval of the Settlement. On or before the deadline for submissions in support of final approval of the Settlement, Plaintiffs shall submit papers in support of the final approval of the Settlement, in which the SLC shall submit papers joining in its support of the Settlement. On or before the deadline for submissions in support of final approval of the Settlement, Plaintiffs shall submit papers in support of any Fee and Expense Award (defined below). No later than ten (10) business days before the Settlement Hearing, FAT's counsel shall serve on counsel in the Actions and file with the Court an appropriate affidavit with respect to the preparation and mailing of the Notice and posting of the Notice and Stipulation.

17. The Parties agree to expend best efforts to obtain Final Court Approval of the Settlement on the terms provided herein.

NOTICE

18. The Company shall be solely responsible for providing Notice of the Settlement in the form and manner directed by the Court (when approved by the Court, the “Notice”), substantially in the form attached hereto as Exhibit C. The Company shall cause to be paid all costs and expenses incurred in providing the Notice, including any costs and expenses associated with any additional copies of the Notice requested by record holders of FAT Common Stock (whether for purpose of providing the Notice to beneficial owners or otherwise). If for any reason the Settlement does not obtain Final Court Approval, any moneys expended on providing notice or implementing the Settlement shall not be refundable.

EFFECTIVE DATE/FINAL COURT APPROVAL

19. The “Effective Date” of the Settlement shall be the first date by which the Court has entered the Judgment and such Judgment has received “Final Court Approval.” “Final Court Approval” of any Court order shall mean: (i) if no appeal is filed, the expiration date of the time for filing or noticing of any appeal of the Judgment; or (ii) if there is an appeal from the Judgment, the date of (a) final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise to review the Judgment, or (b) the date the Judgment is finally affirmed

on appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review of the Judgment, and, if certiorari or other form of review is granted, the date of final affirmance of the Judgment after such review. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to attorneys' fees or expenses and/or an incentive award payable to Plaintiffs shall not in any way delay the Effective Date of the Settlement.

INTERIM INJUNCTION

20. Subject to an order of the Court, pending final determination of whether the Settlement should be approved, Plaintiffs and all Company Stockholders will be barred and enjoined, to the maximum extent permitted under law, from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claims, either directly, representatively, derivatively, or in any other capacity, against the Defendant Releasees, and all pending deadlines in any and all such actions shall be suspended.

ATTORNEYS' FEES AND EXPENSES

21. FAT, the Independent Director Defendants, the Fog Cutter Defendants, and the members of the SLC acknowledge and agree that: (i) the Actions and the efforts of Plaintiffs' counsel were the precipitating, material, and substantial cause

in securing the Settlement Amount and the Governance Reforms; (ii) the agreement on the Settlement Amount and the Governance Reforms was a direct result of the Actions and the efforts of Plaintiffs' counsel; and (iii) the Settlement Amount and the Governance Reforms confer substantial benefits on the Company and its current stockholders.

22. The Parties did not in any form discuss the topic of attorneys' fees before finalizing the substantive terms of this Stipulation. Defendants and the SLC acknowledge that Plaintiffs' counsel is entitled to an award of attorneys' fees and reimbursement of expenses incurred in achieving the benefits for FAT in the Settlement and any other benefits achieved by the Action. In connection with the Settlement, Plaintiffs' counsel intends to apply for an award of fees and reimbursement of Plaintiffs' litigation expenses (the "Fee and Expense Application"). The Court's disposition of the Fee and Expense Application shall not affect the validity of the Settlement.

23. Plaintiffs' counsel's fee and expenses award as ordered by the Court (the "Fee and Expense Award") shall be paid by FAT from the Settlement Payment within twenty-five (25) calendar days after the latest of (i) the Effective Date, (ii) the exhaustion of any appeals from the order awarding fees or the expiration of time to appeal, and (iii) the date on which Plaintiffs' counsel provides to Defendants' counsel written payment and wire instructions, which are verbally confirmed, and a

signed W-9 reflecting a valid taxpayer identification number for the account into which the fee award is to be deposited. For the avoidance of doubt, the Independent Director Defendants shall not have any liability or responsibility for payment of the Fee and Expense Award.

24. An award of attorneys' fees and expenses to Plaintiffs or Plaintiffs' counsel is not a necessary term of the Settlement and shall not be a condition of the Settlement. Neither Plaintiffs nor Plaintiffs' counsel may cancel or terminate the Settlement based on the Court's or any appellate court's ruling on attorneys' fees or expenses or incentive awards to Plaintiffs.

25. Plaintiffs' counsel may request that the Court allocate a portion of the amount awarded pursuant to the Fee and Expense Application to Plaintiffs as a service award in consideration of Plaintiffs' time and effort in connection with the prosecution of the Actions on behalf of the Company and its stockholders. Any amount so allocated shall come out of the amount awarded under the Fee and Expense Application, and shall not increase the amount of that application. No portion of the amount awarded shall be allocated or paid to Plaintiffs except insofar as the Court expressly approves such a payment, and then, only in the amount approved by the Court.

26. Except as provided in this Stipulation or otherwise ordered by the Court, the Defendant Releasees shall bear no other expenses, costs, damages, or fees

alleged or incurred by any of Plaintiffs' counsel, or by Plaintiffs, or by any of any Plaintiffs' attorneys, experts, advisors, agents, or representatives in connection with the Actions or the Settlement. The Plaintiff Releasees shall bear no expenses, costs, damages, or fees alleged or incurred by the SLC or any Defendant, or by any of any Defendants' attorneys, experts, advisors, agents or representatives in connection with the Actions, the Released Claims, or the Settlement.

TERMINATION

27. If the Court declines to enter the Judgment, or if the Judgment is entered but reversed on appeal, any Party may terminate the Settlement by filing with the Court and serving all other parties with a written notice of the Party's election to withdraw from and terminate the Settlement.

28. In the event that any final injunction, decision, order, judgment, determination, or decree is entered or issued by any court or governmental entity prior to Final Court Approval of this Stipulation and the Settlement embodied herein that would make consummation of the Settlement in accordance with the terms of this Stipulation unlawful or that would restrain, prevent, enjoin, or otherwise prohibit consummation of the Settlement, any Party may terminate the Settlement by filing with the Court and serving all other parties with a written notice of the Party's election to withdraw from and terminate the Settlement. In addition, in the event that any preliminary or temporary injunction, decision, order, determination, or

decree (an “Interim Order”) is entered or issued by any court or governmental entity prior to Final Court Approval of this Stipulation and the Settlement that would restrain, prevent, enjoin, or otherwise prohibit consummation of the Settlement, then, notwithstanding anything herein to the contrary, the Parties shall have no obligation to consummate the Settlement unless and until such Interim Order expires or is terminated or modified in a manner such that consummation of the Settlement in accordance with the terms of this Stipulation would no longer be restrained, prevented, enjoined, or otherwise prohibited.

29. In the event that the Settlement is terminated pursuant to the terms of this Stipulation or the Effective Date of the Settlement otherwise fails to occur, then: (i) this Stipulation, and the Settlement, including without limitation the releases under ¶¶ 7 – 9 above, shall be null and void; (ii) the fact of the Settlement and the contents of this Stipulation shall not be admissible in any trial of the Actions; (iii) the Parties shall be deemed to have returned to their respective litigation positions in the Actions immediately prior to the date of execution of the Stipulation; and (iv) the Parties shall proceed in all respects as if this Stipulation and any related orders had not been entered.

ENTIRE AGREEMENT

30. This Stipulation and its Exhibits constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all written or oral

communications, agreements, or understandings that may have existed prior to the execution of this Stipulation. No representations, warranties, or statements of any nature whatsoever, whether written or oral, have been made to or relied upon by any Party concerning this Stipulation or its Exhibits, other than the representations, warranties, and covenants expressly set forth in such documents.

CONSTRUCTION

31. This Stipulation shall be construed in all respects as jointly drafted and shall not be construed, in any way, against any Party on the ground that the Party or its counsel drafted this Stipulation.

32. Headings have been inserted for convenience only and will not be used in determining the terms of this Stipulation.

GOVERNING LAW; CONTINUING JURISDICTION

33. This Stipulation and the Settlement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to Delaware's principles governing choice of law. The Parties irrevocably and unconditionally: (i) consent to submit to the sole and exclusive jurisdiction of the Court of Chancery of the State of Delaware for any litigation arising out of or relating in any way to this Stipulation or the Settlement (or if subject-matter jurisdiction is lacking, to the Superior Court of the State of Delaware); (ii) agree that any dispute arising out of or relating in any way to this Stipulation or the Settlement shall not be litigated or

otherwise pursued in any forum or venue other than any such court; (iii) waive any objection to the laying of venue of any such litigation in any such court; (iv) agree not to plead or claim in any such court that such litigation brought therein has been brought in any inconvenient forum; and (v) expressly waive any right to demand a jury trial as to any such dispute.

AMENDMENTS

34. This Stipulation may be modified or amended only by a writing, signed by the Parties (or their duly authorized counsel), that refers specifically to this Stipulation.

SETTLEMENT NOT AN ADMISSION

35. The provisions contained in the Settlement and this Stipulation shall not be deemed a presumption, concession, or admission by any Party to this Stipulation of any fault, liability (or lack thereof), or wrongdoing, or any infirmity or weakness of any claim or defense, as to any facts or claims (including the Settled Claims) that have been or might be alleged or asserted in the Actions, or any other action or proceeding that has been, will be, or could be brought, and shall not be interpreted, construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Actions, or in any other action or proceeding, whether civil, criminal, or administrative, for any purpose other than as permitted by applicable court rules and rules of evidence. Plaintiffs and Plaintiffs' counsel make no

admission or concession concerning any weakness or infirmity in Plaintiffs' claims in the Actions, and maintain that Plaintiffs' claims have had substantial merit at all times.

BINDING EFFECT

36. This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective agents, executors, heirs, successors, and assigns.

COUNTERPARTS

37. This Stipulation may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed to be an original but all of which together shall constitute one and the same instrument.

AUTHORITY

38. This Stipulation will be executed by counsel for each of the Parties, each of whom represents and warrants that they have the authority from their client(s) to enter into this Stipulation and bind their clients hereto.

OWNERSHIP OF SHARES; NON-ASSIGNMENT OF CLAIMS

39. Plaintiffs represent and warrant that they have each been a stockholder of the Company at all relevant times, continually to the present, that as of the date hereof they continue to hold stock in the Company, and that they shall continue to hold such stock in the Company through the Effective Date. Plaintiffs further

represent that they have not assigned the claims asserted in the Actions, or any of the Plaintiffs' Released Claims, to any person.

NO WAIVER

40. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and such Party, notwithstanding such failure, shall have the right thereafter to insist on the strict performance of any and all of the provisions of this Stipulation to be performed by such other Party. No waiver, express or implied, by any Party of any breach or default in the performance by the other Party of its obligations under this Stipulation shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent, or contemporaneous, under this Stipulation.

CONFIDENTIALITY

41. Plaintiffs, the SLC, Defendants, and their counsel agree, to the extent permitted by law, that all agreements made before and during the course of the Actions relating to confidentiality of information shall survive this Stipulation.

IN WITNESS WHEREOF, the undersigned Parties, by and through their respective counsel, have executed this Stipulation as of the date set forth above.

[Signature page follows]

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EXHIBIT A

EXHIBIT A

The Company has adopted (or has agreed to adopt) the following corporate governance improvements since the commencement of *Harris I*. Defendants acknowledge that Plaintiffs' actions in connection with *Harris I* and *Harris II* were the precipitating, material, and substantial cause underlying the governance reforms. The Company and the individuals currently on the Company's Board have agreed to (as needed, implement and) maintain these corporate governance changes for at least three (3) years upon approval of the Settlement:

- the Board has added three new independent directors;
- for any transaction involving the sale of the Company while the Company remains publicly reporting, the Company shall disclose to the Company's stockholders any consideration to be received by Andrew Wiederhorn (and his controlled affiliates) that is disparate relative to other similarly situated stockholders;
- the Company has adopted a whistleblower policy and established a whistleblower email hotline to the Audit Committee's chairman;
- the Company has remediated the internal control material weaknesses cited during fiscal 2020 audit; and
- the Company has hired a public company experienced Chief Financial Officer ("CFO"), controller and general counsel.

In addition, the Company and those individuals currently on the Company's Board have agreed to adopt, within fourteen (14) days of the Effective Date, the following corporate governance therapeutics and maintain them for at least three (3) years as consideration for the Settlement if the Settlement is approved:

- the Audit Committee chair shall rotate at least every seven (7) years;
- the Audit Committee charter shall be amended to include the review of all related party transactions to evaluate whether such transactions might compromise director independence;
- each independent director serving on the Board, or who is subsequently elected or appointed to the Board, shall be required to attend an outside, third-party full-day director education and training sponsored by a recognized director training organization at least every three (3) years;
- the independent directors shall meet no less than four (4) times each year outside of the presence of any FAT employee(s) to review and discuss issues of immediate concern to the Company or the Board;
- a standing Related Party Transactions Committee of the Board shall be created, comprised exclusively of directors that are independent under NASDAQ rules, to review and approve or reject all proposed transactions between FAT and any officer or director of the corporation (or affiliated entity) for a period of at least three (3) years;

- Andrew Wiederhorn's Consulting agreement shall be amended to permit the Company's Compensation Committee to determine the reasonableness of Mr. Wiederhorn's hourly billing, and to propose and make any agreed-to changes it may deem necessary; and
- the Audit Committee charter shall be amended to require that the Audit Committee shall hire and take guidance from independent and competent Delaware corporate counsel in connection with the consideration of any related-party transaction.

EXHIBIT B

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG
CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

C.A. No. 2021-0511-NAC

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG

C.A. No. 2022-0254-NAC

CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

**[PROPOSED] SCHEDULING ORDER WITH RESPECT TO
NOTICE AND SETTLEMENT HEARING**

WHEREAS, (i) the Special Litigation Committee of the Board of Directors of FAT Brands, Inc. (the “Special Litigation Committee” or “SLC”); (ii) James Harris and the Estate of Adam Christopher Vignola, plaintiffs in the above-captioned actions (“Plaintiffs”); (iii) Squire Junger (“Junger”), James Neuhauser (“Neuhauser”), and Edward H. Rensi (“Rensi” and collectively with Junger and Neuhauser, the “Independent Director Defendants”); (iv) Andrew A. Wiederhorn (“Wiederhorn”), Fog Cutter Holdings, LLC (“Holdings”), and Fog Cutter Capital Group, Inc. (“FCCG” and collectively with Holdings and Wiederhorn, the “Fog Cutter Defendants”); and (v) nominal defendant FAT Brands, Inc. (“FAT” and together with the Independent Director Defendants and Fog Cutter Defendants, the “Defendants,” and the Defendants and Plaintiffs together, the “Parties”) have entered into an Amended Stipulation of Agreement and Settlement, dated September 11,

2025 (the “Stipulation”), which sets forth the terms and conditions for the proposed settlement and dismissal with prejudice of the above-captioned actions (the “Settlement”), subject to review and approval by this Court pursuant to Court of Chancery Rule 23.1 and upon notice to the current stockholders of FAT;

WHEREAS, the Court has read and considered the Stipulation and the accompanying documents; and

WHEREAS, all Parties have consented to the entry of this order.

NOW, upon application of the Parties, after review and consideration of the Stipulation filed with the Court and the exhibits attached thereto, **IT IS HEREBY ORDERED**, this ____ day of _____, 2025, as follows:

1. For purposes of this Scheduling Order, the Court incorporates by reference the definitions in the Stipulation and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation unless otherwise defined herein.

2. A settlement fairness hearing (the “Settlement Hearing”) shall be held on _____, 2025, at _____ a.m. / p.m. in the Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 (or by telephonic or video means as may be designated by the Court) to: (a) determine whether the proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable, and adequate and in the best interests of FAT and its

stockholders; (b) determine whether the Court should finally approve the Settlement and enter the Order and Final Judgment (the “Final Judgment”) as provided in the Stipulation, dismissing the above-captioned action (the “Action”) with prejudice and extinguishing and releasing the Released Claims; (c) hear and determine any objections to the proposed Settlement; (d) determine whether the Court should approve the Fee and Expense Award requested by Plaintiffs’ Counsel, as well as the Service Award to be paid to Plaintiffs exclusively from the Fee & Expense Award; and (e) rule on such other matters as the Court may deem appropriate.

3. The Settlement Hearing may be adjourned by the Court from time to time without further notice to anyone other than the Parties and any Objectors (as defined herein).

4. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modifications as may be consented to by the Parties and without further notice.

5. The Court approves, in form and content, the Notice of Pendency of Settlement of Derivative Action (the “Notice”) filed by the Parties as Exhibit C to the Stipulation and finds that the provision of notice substantially in the manner set forth herein meets the requirements of Court of Chancery Rule 23.1 and due process, is reasonable and practicable under the circumstances, and shall constitute due, adequate, and sufficient notice to all persons entitled thereto.

6. Within fifteen (15) business days after the entry of this Scheduling Order, FAT shall use reasonable efforts to provide notice to all beneficial owners of FAT stock by: (i) filing a Form 8-K with the Securities and Exchange Commission (“SEC”) that discloses the Settlement and attaches the Notice, substantially in the form filed as Exhibit C to the Stipulation, as an exhibit; (ii) disclosing the Settlement in its first Quarterly Report on Form 10-Q following the entry of the Scheduling Order, and shall append the Notice and Stipulation as an exhibit; (iii) publishing a copy of the Notice on a national wire service, such as PRNewswire; (iv) posting a copy of the Stipulation and all exhibits thereto on the Company’s website continuously through the date of the Settlement Hearing; and (v) posting copies of all settlement briefing on the Company’s website promptly after the filing of such briefing continuously through the date of the Settlement Hearing. Prior to the Settlement Hearing, Defendants shall file with the Court an appropriate affidavit or declaration regarding compliance with the notice provisions set forth in Paragraph 18 of the Stipulation. FAT shall be responsible for all costs associated with this disclosure of the Notice.

7. As set forth in the Notice, any FAT stockholder who objects to the Settlement, the proposed Final Judgment to be entered, the Fee and Expense Award and/or the Service Award who wishes to be heard (an “Objector”), may appear in person or by his, her, or its attorney at the Settlement Hearing and present any

evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Final Judgment to be entered thereon, unless he, she, or it has, no later than ten (10) calendar days before the Settlement Hearing (unless the Court in its discretion shall thereafter otherwise direct, upon application of such Person and for good cause shown), filed with the Register in Chancery, Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, and served upon counsel listed below, the following: (i) proof of current ownership of FAT stock; (ii) a written notice of the Objector's intention to appear that states the Objector's name, address, and telephone number and, if represented, the Objector's counsel; (iii) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard, and (iv) all documents or writings which the Objector desires the Court to consider. Such filings must be served upon the following counsel by hand delivery, overnight mail, or the Court's electronic filing and service system:

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*Attorneys for the Special
Litigation Committee of the Board
of Directors of FAT Brands, Inc.*

8. Any Person who fails to object in the manner prescribed above shall be deemed to have waived such objection (including the right to appeal), unless the Court in its discretion allows such objection to be heard at the Settlement Hearing, and shall forever be barred from raising such objection in the Action, or any other action or proceeding, or from otherwise contesting the Settlement or the Fee and Expense Amount, and will be bound by the Final Judgment to be entered and the releases to be given.

9. At least twenty-eight (28) calendar days prior to the Settlement Hearing, the SLC and Plaintiffs' counsel shall file with the Court a brief or briefs in support of the Settlement, including the Fee and Expense Application as well as the Service Award Application. Any objections to the Settlement and/or the Fee and Expense Amount shall be filed and served no later than fourteen (14) calendar days prior to the Settlement Hearing.

10. At least seven (7) calendar days prior to the Settlement Hearing, the SLC and the Parties shall serve and file with the Court any response briefs to any objections made by an Objector pursuant to Paragraph 7 above.

11. In the event that the Settlement is not approved by the Court, the Settlement and any actions taken in connection therewith shall become null and void for all purposes, and all negotiations, actions, documents, and proceedings connected with it: (i) shall be without prejudice to the rights of any Party; (ii) shall not be deemed to be construed as evidence of, or an admission by any Party of, any wrongdoing, the validity or invalidity of any claim asserted in the Action, or any other fact, matter, or thing; and (iii) shall not be admissible in evidence or be used for any purpose in any subsequent proceedings in the Action or any other action or proceeding. The Parties shall be deemed to have reverted to their respective status in the Action as of January 3, 2025, and, except as otherwise expressly provided, the

Parties shall proceed in all respects as if neither that agreement nor the Stipulation had been executed and any related orders had not been entered.

12. All proceedings in this Action (except proceedings as may be necessary to carry out the terms and conditions of the proposed Settlement) are hereby stayed and suspended until further order of the Court. Except as provided in the Stipulation, pending final determination of whether the Settlement should be approved, Plaintiffs and all other FAT stockholders acting or purporting to act on behalf of FAT are barred and enjoined from commencing, prosecuting, or in any way participating in the commencement or prosecution of, any action or other proceeding asserting any Released Claim against Defendants or any of the Released Persons.

13. The Court may, for good cause shown, extend any of the deadlines set forth in this Order without further notice to anyone other than the Parties to the Action and any Objectors.

Nathan A. Cook, Vice Chancellor

EXHIBIT C

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG
CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

C.A. No. 2021-0511-NAC

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG

C.A. No. 2022-0254-NAC

CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

NOTICE OF PENDENCY OF SETTLEMENT OF DERIVATIVE ACTIONS

**TO: ALL CURRENT STOCKHOLDERS OF FAT BRANDS, INC.
(TRADING SYMBOLS: NASDAQ: FAT, NASDAQ: FATBB)**

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LITIGATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT, OR FROM PURSUING THE RELEASED CLAIMS DEFINED HEREIN.

IF YOU DO NOT OBJECT TO THE PROPOSED SETTLEMENT, OR TO THE PROPOSED ATTORNEYS' FEE AND EXPENSE AMOUNT DESCRIBED IN THIS NOTICE, YOU ARE NOT OBLIGATED TO TAKE ANY ACTION.

I. WHY ARE YOU RECEIVING THIS NOTICE?

The purpose of this notice (the "Notice") is to inform you of: (i) lawsuits (the "Actions") in the Court of Chancery of the State of Delaware (the "Court") brought on behalf of FAT Brands, Inc. ("FAT" or the "Company"); (ii) a proposal to settle the Actions as provided in the Amended Stipulation and Agreement of Settlement, dated September 11, 2025 (the "Stipulation"), which sets forth the terms and

conditions of the proposed settlement of the Actions (the “Settlement”); and (iii) your right, among other things, to attend and participate in a hearing to be held on December 17, 2025 at 11:00 a.m. EST, in the Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 (or by telephonic or video means as may be designated by the Court (the “Settlement Hearing”). This Notice describes the rights you may have under the Stipulation and what steps you may, but are not required to, take concerning the proposed Settlement. If the Court approves the Settlement, the parties will ask the Court to approve an Order and Final Judgment (the “Final Judgment”) that would end the Action.¹

II. BACKGROUND TO THE ACTION AND THE SETTLEMENT

THE FOLLOWING DESCRIPTION OF THE ACTION HAS BEEN PREPARED BY COUNSEL FOR THE SPECIAL LITIGATION COMMITTEE AND THE SETTLING PARTIES. IT IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF ANY FINDINGS OF FACT, AND THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS. NOR SHOULD THE FOLLOWING DESCRIPTION BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

Plaintiffs James Harris and the Estate of Adam Christopher Vignola (“Plaintiffs”) are current stockholders of FAT. Nominal defendant FAT, a Delaware corporation with its headquarters in Beverly Hills, California, is a multi-brand franchising company that acquires, markets, and develops fast casual and casual dining restaurant concepts. Andrew Wiederhorn (“Wiederhorn”), Edward Rensi, James Neuhauser, and Squire Junger (collectively, the “Independent Director Defendants”) are all former members of FAT’s Board of Directors (the “Board”). Wiederhorn is the current Chairman of the Board and former Chief Executive Officer (“CEO”) of FAT. Wiederhorn, Fog Cutter Holdings, LLC (“Holdings”) and FCCG, Inc. (“FCCG” and, together with Wiederhorn and Holdings, the “Fog Cutter Defendants” and together with FAT and the Individual Defendants, the

¹ Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings assigned to them in the Stipulation.

“Defendants”)² were affiliated with Defendant Wiederhorn and were allegedly controlling stockholders of FAT at relevant times.

A. Summary of Plaintiff’s allegations in *Harris v. Junger, et al.*, C.A. No. 2021-0511-NAC (“*Harris I*”)

In *Harris I* Plaintiffs alleged that aside from a controlling stake in FAT, FCCG held little of material value apart from net operating loss (“NOLs”) carryforwards following FAT’s October 2017 initial public offering (“IPO”). Through his ownership of Holdings, Wiederhorn held a controlling stake in FCCG. Plaintiffs further alleged that Wiederhorn caused FCCG to repeatedly make tens of millions of dollars in cash advances to Wiederhorn in the form of “shareholder loans” following the FAT IPO, and contending that because FCCG had no source of cash flow to make these advancements, FCCG borrowed tens of millions of dollars from FAT pursuant to an intercompany promissory note issued in connection with the FAT IPO. By December 29, 2019, Wiederhorn’s shareholder loan balance had increased to over \$16.8 million. By June 28, 2020, FCCG had allegedly forgiven the entirety of the shareholder loan, while Wiederhorn continued to borrow. In April 2020, the Board authorized FAT to enter into a \$35 million Intercompany Revolving Credit Agreement (the “Intercompany Agreement”) with FCCG. Under this new agreement, FCCG funded additional cash advancements to Wiederhorn. By August, the amount owed under the Intercompany Agreement had increased to almost \$40 million.

On August 18, 2020, Wiederhorn proposed a transaction in which Fat Brands would acquire FCCG (the “Merger”). Through the Merger, the Fat Brands stock held by FCCG would be cancelled, FCCG stockholders would be issued Fat Brands common stock in the amount previously held by FCCG, and non-FCCG stockholders of FAT (including the Company’s directors) would receive a special dividend of dividend-bearing Fat Brands Series B Preferred Stock. The dividend at that time represented a value transfer away from FCCG to FAT’s non-FCCG stockholders. As part of this transaction, FAT would forgive borrowings made by FCCG under the Intercompany Agreement and assume much of FCCG’s debt, but preserve the use of FCCG’s NOL carryforwards, which FAT contended held significant value. The Board approved the Merger on December 10, 2024, and the Merger was consummated on December 24, 2020.

² Defendants and Plaintiffs are collectively referred to herein as the “Parties.”

Following a books and records investigation pursuant to Delaware General Corporation Law (“DGCL”) Section 220, Plaintiffs filed a Verified Stockholder Derivative Complaint (the “*Harris I* Complaint”) on June 10, 2021 in the Court of Chancery of the State of Delaware (the “Court”), captioned *Harris v. Junger, et al.*, C.A. No. 2021-0511-NAC. The *Harris I* Complaint asserted claims derivatively on behalf of Nominal Defendant FAT based upon, among other things, allegations that Wiederhorn and Holdings breached their fiduciary duties as controlling stockholders of FAT by causing the Merger and FAT’s entry into the Intercompany Agreement, that the Independent Director Defendants breached their fiduciary duties to FAT by approving the Merger, that Holdings was unjustly enriched by the Merger, and that the Independent Director Defendants and Wiederhorn breached their fiduciary duties to FAT through the waste of corporate assets by entering into the Intercompany Agreement and the original promissory note. The Individual Defendants have denied, and continue to deny, all of the wrongdoing alleged in the *Harris I* Complaint.

On August 5, 2021, Defendants filed a motion to dismiss the *Harris I* Complaint (the “*Harris I* Motion to Dismiss”), which was opposed by Plaintiffs. On February 11, 2022, the Court issued a bench ruling denying the *Harris I* Motion to Dismiss with respect to claims against Wiederhorn, Holdings, and two of the three Independent Director Defendants, and the Court took under advisement the unjust enrichment claim against Holdings and the claims against the third Independent Director Defendant (who was not a member of the Special Committee that recommended the Merger and did not vote on the Board’s approval of the Merger). In making its bench ruling, the Court held that, while the Merger appeared potentially fair to unaffiliated FAT stockholders because of the issuance of Series B Preferred Stock, Plaintiffs had alleged that the Merger was unfair to FAT and that it was “reasonably conceivable that [certain FAT] directors were acting either in self-interest or ... in bad faith.” The Court also held it to be reasonably conceivable that the Merger constituted corporate waste under Delaware law. On May 25, 2022, the Court denied the *Harris I* Motion to Dismiss with respect to the undecided claims in a written opinion, declining at the pleadings stage to find the unjust enrichment claim against Holdings duplicative of the fiduciary duty claim and holding it was “reasonably conceivable” that Plaintiffs had stated a claim against the third Independent Director Defendant given his participation in earlier negotiations regarding the Merger and approval of the Intercompany Agreement.

After initial document discovery, on January 31, 2023, the Company’s Board formed a Special Litigation Committee (the “Initial Special Litigation Committee”),

consisting of outside directors Amy Forrestal and Lynne Collier, to investigate, review and analyze the facts and circumstances surrounding the claims made in the *Harris I* Complaint. The Initial Special Litigation Committee was given the full power and authority of the Board to consider and determine on the Company's behalf whether or not prosecution of the claims presented in or related to the Action were in the best interests of the Company and its stockholders, and what actions the Company should take with respect to *Harris I*.

On February 3, 2023, the Initial Special Litigation Committee moved for a six-month stay of *Harris I* to conduct its independent investigation, with the assistance of its counsel. The Court granted the Initial Special Litigation Committee's stay motion, which Plaintiffs had opposed.

On March 28, 2023, Wiederhorn and Holdings caused all directors other than himself to be removed from the Board of Directors of FAT, including the Initial Special Litigation Committee. On April 4, 2023, Plaintiffs moved to lift the stay in *Harris I*. On April 5, 2023, the Court lifted the stay in *Harris I*.

On May 4, 2023, the FAT Board of Directors formed a new Special Litigation Committee, consisting of Lynne Collier, Mark Elenowitz, and Kenneth Kepp (the "Special Litigation Committee" or "SLC") to investigate, review and analyze the facts and circumstances surrounding the claims made in the *Harris I* Complaint, and to determine an appropriate course of action with respect thereto. The SLC retained the law firm of Morris Nichols Arsht & Tunnell, LLP to act as its legal advisor, and on May 8, 2023, moved to stay *Harris I*.

On May 10, 2023, the United States Department of Justice (the "DOJ") moved to intervene and stay discovery in *Harris I* pending the resolution of its investigation into the facts and circumstances underlying *Harris I*. On May 31, 2023, the Court issued an oral opinion granting the DOJ's motions to intervene and stay discovery in *Harris I*.

B. Summary of Plaintiff's allegations in *Harris v. Junger, et al.*, C.A. No. 2022-0254-NAC ("*Harris II*")

In *Harris II*, Plaintiffs alleged that following the Merger, FAT sought to expand by acquiring other restaurant chains using FAT stock as consideration. Continued issuances of FAT stock, however, threatened the dilution of Wiederhorn's controlling stake. Plaintiffs further alleged that in response to this dilution,

Wiederhorn proposed to amend FAT's Certificate of Incorporation to create a new class of super-voting stock (the "Recapitalization Transaction"). During this period, Plaintiffs alleged that FAT was also negotiating an acquisition that would have diluted Wiederhorn and Holdings below 50% ownership of FAT without consummation of the Recapitalization Transaction.

On June 29, 2021, the Board approved the Recapitalization Transaction to create, and issue to existing FAT stockholders on a pro rata basis, a new class of FAT common stock representing 2,000 votes per share. As a result of this new issuance, Holdings and Wiederhorn's control of FAT was decoupled from their economic ownership of FAT. Plaintiffs contended that the Board did not extract any consideration from Wiederhorn and Holdings in exchange for effective permanent control over FAT. On July 8, 2021, the Company filed a Preliminary Information Statement with the SEC representing that the Recapitalization Transaction had been approved by the written consent of a majority of the unaffiliated stockholders of FAT.

On March 17, 2022, and after a second books and records investigation pursuant to DGCL Section 220, Plaintiffs commenced *Harris v. Junger, et al.*, C.A. No. 2022-0254-NAC ("*Harris II*") by filing a complaint with the Court (the "*Harris II* Complaint"). The *Harris II* Complaint alleged that the Company received nothing in the Recapitalization Transaction in exchange for the granting of permanent control to Wiederhorn and Holdings. Plaintiffs also alleged that the Defendants had breached their fiduciary duties in connection with the Recapitalization Transaction claiming that the Board knew or should have known that certain written consents purportedly received by the Company were invalid and obtained through a materially false solicitation statement. The *Harris II* Complaint asserted claims derivatively on behalf of Nominal Defendant FAT against Wiederhorn, the Board, and Holdings. Plaintiffs alleged that Wiederhorn and the Board had breached their fiduciary duties to the Company as directors, that Wiederhorn and Holdings had breached their fiduciary duties to the Company as controlling stockholders, and that Wiederhorn and Holdings were unjustly enriched by the Recapitalization Transaction. Defendants denied, and continue to deny, all of the wrongdoing alleged in the *Harris II* Complaint.

On May 2, 2022, Defendants moved to dismiss the *Harris II* Complaint (the "*Harris II* Motion to Dismiss"), arguing that Plaintiffs failed to make a required pre-litigation demand on the FAT Board. On November 17, 2022, the Court held a hearing on the *Harris II* Motion to Dismiss. On April 5, 2023, at the same time that

the Court lifted the stay in *Harris I*, it also issued an order denying the *Harris II* Motion to Dismiss. In making its decision, the Court held that Plaintiffs had sufficiently pled facts supporting a conclusion that the Independent Director Defendants acted in bad faith in approving the Recapitalization Transaction, and that therefore Plaintiffs were excused from making a pre-litigation demand. Additionally, in denying the *Harris II* Motion to Dismiss, the Court held that “plaintiffs have sufficiently pled, for motion to dismiss purposes, that the special committee defendants acted for the controller's benefit without regard to the company's interests and got nothing in exchange for a transaction that was only favorable to the controller.” The Court noted, however, that its ruling was “a pleading-stage determination” and that “defendants were advised by very sophisticated counsel,” and “discovery may well reveal that defendants really were acting in the company's best interests.”

Following denial of the *Harris II* Motion to Dismiss, the parties engaged in initial document discovery. On July 14, 2023, the Special Litigation Committee determined to investigate the facts and circumstances underlying *Harris II*. On July 21, 2023, the SLC moved to stay *Harris II*, and the Court granted the Parties’ stipulation to stay *Harris II* on August 10, 2023, subject to the production of documents responsive to Plaintiffs’ outstanding document requests. During the pendency of the stays in *Harris I* and *Harris II*, the SLC, through its counsel, received and reviewed more than 190,000 documents to investigate the underlying factual and legal theories of liability advanced in the Actions, as well as potential theories of liability not advanced in the Actions. The SLC met regularly during its investigation and invited and received presentations from counsel for both the plaintiffs and the defendants. The SLC, through its counsel, conferred with attorneys for the DOJ from time to time to be kept apprised on the status of the Government’s work. Although the SLC did not complete its investigation nor did it conduct interviews given the overlay of an ongoing Government investigation and criminal trials, it concluded that it would not move to dismiss the Actions and that it would be in the best interests of the Company to achieve a global settlement of both Actions and to work with Plaintiffs’ counsel to try to achieve that end.

C. Further Developments in the Actions

FAT used approximately \$1.5 million of the NOLs in 2022 and approximately \$23.5 million of the NOLs in 2023.

Beginning in March 2024, the SLC, Plaintiffs, and Defendants began engaging in arm's-length negotiations concerning a possible settlement of *Harris I* and *Harris II*.

On May 9, 2024, the DOJ filed an indictment in the United States District Court for the Central District of California against Wiederhorn, FAT, and two other individuals alleging, among other things, that Wiederhorn caused FAT and FCCG to compensate him approximately \$47 million between 2010 and January 2021 through “distributions, which he [and others] categorized as ‘shareholder loans’” (the “Indictment”). *United States of America v. Wiederhorn, et al.*, No.: 2:24-cv-00295-RGK (C.D. Cal.) (the “California Court”). The Indictment provided notice that the United States would seek to have Mr. Wiederhorn, if convicted, forfeit “[a]ll right, title and interest to any property, real or personal, constituting, or derived from, any proceeds traceable to the offenses” alleged in the Indictment. On May 31, 2024, the DOJ filed a status report and proposed order with the Delaware Court requesting a further stay of *Harris I* until the resolution of the criminal charges against Wiederhorn and FAT. On June 3, 2024, the Delaware Court granted the request of the DOJ and stayed *Harris I* until the resolution of criminal charges against Wiederhorn and FAT. On June 14, 2024, the trial on the criminal charges against Wiederhorn and FAT was continued until October 28, 2025.

Following an all-day mediation session on January 3, 2025, the parties and the SLC reached an agreement in principle to settle all of the claims in *Harris I* and *Harris II*. This settlement was endorsed by the SLC.

On July 17, 2025, the trial on the criminal charges against Wiederhorn and FAT was continued until January 13, 2026. On July 29, 2025, the DOJ filed an unopposed motion to dismiss the Indictment, and on August 7, 2025, the California Court ordered the Indictment to be dismissed without prejudice against Wiederhorn and FAT.

On August 1, 2025, the Parties formalized their agreement and entered into an initial stipulation of settlement. On September 11, 2025, the Parties entered into the Stipulation, which sets forth the final terms and conditions of the Settlement.

On September 18, 2025, the Court entered the Scheduling Order providing for, among other things, the scheduling of the Settlement Hearing and the distribution of this Notice.

THE COURT HAS NOT DETERMINED THE MERITS OF PLAINTIFFS' CLAIMS OR THE DEFENSES THERETO. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW BY THE INDIVIDUAL DEFENDANTS OR THAT RECOVERY COULD BE HAD IN ANY AMOUNT IF THE ACTION WAS NOT SETTLED.

III. WHAT ARE THE TERMS OF THE SETTLEMENT?

THE TERMS AND CONDITIONS OF THE SETTLEMENT ARE SET FORTH IN DETAIL IN THE STIPULATION, WHICH HAS BEEN FILED WITH THE COURT. THIS NOTICE INCLUDES ONLY A SUMMARY OF VARIOUS TERMS OF THE SETTLEMENT AND DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ITS TERMS.

The proposed Settlement confers financial and corporate governance benefits upon FAT. Because the Action was brought derivatively by Plaintiffs on behalf of FAT, the benefits of the Settlement will go directly to the Company.

In consideration of the proposed Settlement, the Defendants shall pay, or cause to be paid, the aggregate amount of \$10,000,000 in cash (the "Cash Component") to FAT. Within twenty (20) calendar days after the Effective Date, the Fog Cutter Defendants shall surrender 200,000 shares of Twin Hospitality Group, Inc. Class A Common stock to FAT (the "Shares Component," and with the Cash Component, the "Settlement Payment").

Additionally, to settle the Action, Defendants have agreed that the Company will adopt, implement, and maintain the Corporate Governance Reforms set forth in Exhibit A to the Stipulation, which include amendments to FAT's Corporate Governance Guidelines and Audit Committee charter. Among other things, these Corporate Governance Reforms provide for:

- The hiring of a public company experienced Chief Financial Officer ("CFO"), controller, and general counsel.
- The creation of a standing Related Party Transactions Committee of the Board, comprised exclusively of directors that are independent under NASDAQ rules, to review and approve or reject all proposed transactions

between FAT and any officer or director of the corporation (or affiliated entity) for a period of at least three (3) years.

- Amending Andrew Wiederhorn's Consulting agreement to permit the Compensation Committee to determine the reasonableness of Mr. Wiederhorn's hourly billing, and to propose and make any agreed-to changes it may deem necessary.
- The charter of the Audit Committee to be amended to require that the audit committee shall hire and take guidance from independent and competent Delaware corporate counsel in considering any related party transaction.

IV. WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

If the Settlement is approved, the Court will enter a Final Judgment dismissing the Action with prejudice. Pursuant to the Final Judgment, and upon the Effective Date of the Settlement, the following releases will occur:

- (a) Plaintiffs, the SLC and all of its members, the Company, any Current FAT Stockholder, the Defendants, and all of their respective successors-in-interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall be deemed to have, and by operation of the Judgment (as defined in ¶ 11 of the Stipulation) approving this Settlement shall have, completely discharged, dismissed with prejudice on the merits, released and settled, to the fullest extent permitted by law, all claims, including Unknown Claims as defined *infra* and potential claims, whether they are asserted or unasserted, suspected or unsuspected, discovered or undiscovered, that Plaintiffs now have or may have had against Defendants for any matter arising from, relating to, or otherwise stemming from, whether directly or indirectly, the allegations and claims asserted in the Actions (the "Plaintiffs' Released Claims") against the Defendants, as well as their agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities (the "Defendant Releasees") or the members of the SLC, as well as each of their members and agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities (the "SLC Releasees"), and shall be forever barred and enjoined from commencing, instituting,

prosecuting, or continuing to prosecute any of the Plaintiffs' Released Claims against any of the Defendant Releasees or SLC Releasees.

Notwithstanding anything to the contrary herein, Plaintiffs' Released Claims shall not include: (i) any claims relating to the enforcement of the Settlement; (ii) claims purportedly on behalf of FAT to recover money damages or obtain other remedies for harm to FAT (if any) caused by (a) the reconstitution of the FAT Board and/or the removal, appointment or re-appointment of directors from the FAT Board in March 2023 sought by Richard Collura in Case No. 2024-1305-NAC pending in Delaware Chancery Court (the "*Collura* Action") and as identified and pled in the Complaint filed on December 17, 2024 therein (the "*Collura* Complaint"); (b) alleged misrepresentations relating to the civil and criminal investigations opened by the SEC and DOJ in November 2021 in certain of FAT's SEC filings from 2022 through 2024 alleged by Collura in the *Collura* Action and as identified and pled in the *Collura* Complaint; (c) alleged insider stock sales by Andrew Wiederhorn in 2022 and 2023 alleged by Collura in the *Collura* Action and as identified and pled in the *Collura* Complaint; and (d) alleged compensation and bonuses proposed, approved and awarded to identified officers and/or directors of the Company while the aforementioned government investigations were ongoing in 2022 and 2023 as identified and pled in the *Collura* Complaint. Additionally, nothing in this Stipulation shall be construed to in any way limit or impair any claims being brought or maintained by the DOJ or the SEC against any of the defendants named in the Actions.

For the avoidance of doubt, and notwithstanding any allegations or claims that have been or could have been asserted in the *Collura* Action, Plaintiffs' Released Claims shall include claims purportedly on behalf of FAT to recover money damages or obtain other remedies for harm to FAT (if any) caused by the 2020 merger between FAT and FCCG, the 2021 recapitalization transaction and/or any and all loans, loan agreements, promissory notes, intercompany credit agreements and/or forgiveness of loans as between FAT and FCCG and/or FCCG and Andrew Wiederhorn from 2017 through 2020.

- (b) The SLC and all of its members, the Company, and the Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such only, will

fully, finally and forever release, settle, and discharge, and shall forever be enjoined from prosecuting against Plaintiffs, their respective counsel, all agents, representatives, estates, insurers, reinsurers, and advisors of any of the foregoing (collectively, the “Plaintiff Releasees”), and the SLC Releasees, any and all claims, complaints, petitions, sanctions, or assertions of wrongdoing in any way, shape or form, including unknown claims, arising out of or relating to the Section 220 demands, or the investigation, commencement, prosecution or settlement of the Actions (the “Defendants’ Released Claims,” and together with Plaintiffs’ Released Claims, the “Released Claims”). Notwithstanding anything to the contrary herein, Defendants’ Released Claims shall not include any claims relating to the enforcement of the Settlement.

Until the Court decides whether to approve the Settlement, Plaintiffs and all other FAT stockholders acting or purporting to act on behalf of FAT are barred and enjoined from commencing, prosecuting, or in any way participating in the commencement or prosecution of, any action or other proceeding asserting any Released Claim against Defendants or any of the Released Persons.

Definitions

The Stipulation defines these capitalized terms as follows:

“Plaintiffs’ Released Claims” means any and all claims, including Unknown Claims as defined *infra*, whether they are asserted or unasserted, arising from, relating to, or otherwise stemming from the allegations set forth by Plaintiffs in the Actions (the “Plaintiffs’ Released Claims”) against the Defendants, as well as their agents, assigns, successors, employees, officers, directors, attorneys, advisors, insurers, or other affiliated entities.

“Defendants’ Released Claims means any and all claims, complaints, petitions, sanctions, or assertions of wrongdoing in any way, shape or form, including unknown claims, arising out of or relating to the 220 demands, or the investigation, commencement, prosecution or settlement of the Actions against Plaintiffs, their respective counsel, and all agents, representatives, estates, insurers, reinsurers, and advisors of any of the foregoing.

“Unknown Claims” means any and all claims belonging to Plaintiffs, FAT stockholders, or Defendants within the scope of the releases, known or unknown,

suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. With respect to any and all Released Claims, the Settling Parties agree that upon the Effective Date, the Settling Parties shall expressly waive, and all FAT stockholders acting or purporting to act on behalf of FAT shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived the provisions, rights, and benefits conferred by or under California Civil Code Section 1542, or any other law of the United States or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those now known or believed to be true by them with respect to the subject matter of the Released Claims, but it is the intention of the Settling Parties to completely, fully, finally, and forever compromise, settle, release, and discharge any and all Released Claims, known or unknown, suspected or unsuspected, contingent or fixed, accrued or unaccrued, apparent or unapparent, which do now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Settling Parties acknowledge, and FAT's stockholders shall be deemed by operation of the Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Stipulation of which this release is a part, and was relied upon by each and all of the Defendants in entering into the Settlement.

V. WHAT ARE THE REASONS FOR SETTLING THE ACTION?

Plaintiffs' entry into the Settlement is not intended to be and shall not be construed as an admission or concession concerning the relative strength or merit of the claims alleged in the Actions. Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Actions through trial and possible appeals. Plaintiffs and Plaintiffs' Counsel also have taken into account the considerable value obtained for

FAT by the Settlement, the uncertain outcome and the risk of further litigation, especially in complex cases such as this Actions, as well as the difficulties and delays inherent in such litigation (particularly in light of the concurrent criminal prosecution in the California Court), and they are also mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in the Actions. Based on the foregoing and Plaintiffs' Counsel's thorough investigation and analysis of the relevant facts, allegations, defenses, and controlling legal principles, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement is, under the circumstances present here, fair, reasonable, adequate, and in the best interests of FAT and FAT's stockholders.

The Defendants have denied, and continue to deny, any and all allegations of wrongdoing or liability arising out of or relating in any way to the events, conduct, statements, acts, or omissions alleged in the Action. Without limiting the foregoing, the Defendants have denied, and continue to deny, among other things: that they breached any fiduciary duties or any other duty owed to FAT or its stockholders in connection with the Merger or Recapitalization Transactions; that they were unjustly enriched as a result of any breach of fiduciary duty or other act, omission, or conduct; that they committed any waste of FAT's corporate assets; that they committed any violations of law or wrongdoing whatsoever; or that Plaintiffs, FAT, or FAT's stockholders suffered any damage or were harmed as a result of any act, omission, or conduct by the Defendants alleged in the Action or otherwise. The Defendants have further asserted, and continue to assert, that at all relevant times, they acted in good faith and in a manner that they reasonably believed to be in the best interests of FAT and its stockholders. Defendants have entered into the Settlement solely to eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation, without admitting any wrongdoing or liability whatsoever.

VI. HOW WILL THE ATTORNEYS GET PAID?

Before final approval of the proposed Settlement, Plaintiffs' Counsel intends to petition the Court for an award of attorneys' fees in an aggregate amount of up to \$3,250,000, plus reimbursement of reasonable expenses incurred in connection with the Action not to exceed \$350,000 (the "Fee & Expense Award"). Neither Defendants nor their insurers shall have any financial obligation with respect to the Settlement beyond the amount of the Settlement Amount. Plaintiffs further intend to seek a service award to be paid to Plaintiffs to compensate them for their time, effort and expenditures in furtherance of this litigation, to be paid exclusively from the Fee & Expense Award (the "Service Award"). Defendants take no position as to

Plaintiffs' petition for a Fee & Expense Award and/or the request for a Service Award. Any potential Fee & Expense Award shall be paid by the Company, and any Service Award shall be paid out of any Fee & Expense Award ordered by the Court.

Any failure by the Court to approve a Fee & Expense Award or Service Award in any particular amount, or at all, shall not affect the validity of the Settlement, affect or delay the enforceability of the Settlement, or provide any of the Settling Parties with the right to terminate the Settlement.

VII. WHEN WILL THE SETTLEMENT HEARING TAKE PLACE?

The Court has scheduled a Settlement Hearing to be held on December 17, 2025 at 11:00 a.m. EST, in the Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801 (or by telephonic or video means as may be designated by the Court). At the Settlement Hearing, the Court will consider whether the terms of the Settlement are fair, reasonable, and adequate and thus should be finally approved, whether the Fee and Expense Amount should be approved, and whether the Action should be dismissed with prejudice by entry of the Final Judgment pursuant to the Stipulation. The Court will also hear and determine objections, if any, to the proposed Settlement and the Fee and Expense Amount and rule on such other matters as the Court may deem appropriate. The Court may adjourn the Settlement Hearing from time to time without further notice to anyone other than the Parties and any Objectors (as defined below). The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modifications as may be consented to by the Parties and without further notice.

VIII. DO I HAVE A RIGHT TO APPEAR AND OBJECT?

Any stockholder of FAT who objects to the Settlement, the proposed Final Judgment to be entered, and/or the Fee and Expense Amount who wishes to be heard (an "Objector"), may appear in person or by his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Final Judgment to be entered thereon, unless he, she, or it has, no later than ten (10) calendar days before the Settlement Hearing (unless the Court in its discretion shall thereafter

otherwise direct, upon application of such Person and for good cause shown), filed with the Register in Chancery, Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, and served upon counsel listed below, the following: (i) proof of current ownership of FAT stock; (ii) a written notice of the Objector's intention to appear that states the Objector's name, address, and telephone number and, if represented, the Objector's counsel; (iii) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard; and (iv) all documents or writings which the Objector desires the Court to consider. Such filings must be served upon the following counsel by hand delivery, overnight mail, or the Court's electronic filing and service system:

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Committee of the Board of Directors of
FAT Brands, Inc.*

Any Person who fails to object in the manner prescribed above shall be deemed to have waived such objection (including the right to appeal), unless the Court in its discretion allows such objection to be heard at the Settlement Hearing, and shall forever be barred from raising such objection in the Action, or any other action or proceeding, or otherwise contesting the Settlement or the Fee and Expense Amount, and will otherwise be bound by the Final Judgment to be entered and the releases to be given.

IX. HOW DO I GET ADDITIONAL INFORMATION?

This Notice summarizes the proposed Settlement. It is not a complete statement of the events of the Action or the terms and conditions of the Stipulation. For additional information about the Action and the Settlement, please refer to the documents filed with the Court, including the Stipulation. You may examine the Court files during regular business hours of each business day at the office of the Register in Chancery, Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. The Clerk's office will not mail copies of documents to you. For more information concerning the Settlement, you may also call or write to the counsel referenced in Section VIII hereto.

PLEASE DO NOT WRITE TO OR CALL THE COURT.

BY ORDER OF THE COURT

Dated: _____
Register in Chancery

EFiled: Sep 11 2025 09:59AM EDT
Transaction ID 77053518
Case No. Multi-Case



EXHIBIT D

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG
CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

C.A. No. 2021-0511-NAC

JAMES HARRIS AND THE
ESTATE OF ADAM
CHRISTOPHER VIGNOLA,
derivatively on behalf of FAT
BRANDS INC.,

Plaintiffs,

v.

SQUIRE JUNGER, JAMES
NEUHAUSER, EDWARD H. RENSI,
ANDREW A. WIEDERHORN, FOG

C.A. No. 2022-0254-NAC

CUTTER HOLDINGS, LLC, and FOG
CUTTER CAPITAL GROUP, INC.,

Defendants,

-and-

FAT BRANDS INC., a Delaware
Corporation,

Nominal Defendant.

[PROPOSED] ORDER AND FINAL JUDGMENT

WHEREAS, the above-captioned derivative actions (the “Actions”) are pending before this Court;

WHEREAS, (i) the Special Litigation Committee of the Board of Directors of FAT Brands, Inc. (the “Special Litigation Committee” or “SLC”); (ii) James Harris and the Estate of Adam Christopher Vignola, plaintiffs in the above-captioned Actions (“Plaintiffs”); (iii) Squire Junger (“Junger”), James Neuhauser (“Neuhauser”), and Edward H. Rensi (“Rensi” and collectively with Junger and Neuhauser, the “Independent Director Defendants”); (iv) Andrew A. Wiederhorn (“Wiederhorn”), Fog Cutter Holdings, LLC (“Holdings”), and Fog Cutter Capital Group, Inc. (“FCCG” and collectively with Holdings and Wiederhorn, the “Fog Cutter Defendants”); and (v) nominal defendant FAT Brands, Inc. (“FAT” and together with the Independent Director Defendants and Fog Cutter Defendants, the

“Defendants,” and the Defendants and Plaintiffs together, the “Parties”) have entered into an Amended Stipulation of Agreement and Settlement, dated September 11, 2025 (the “Stipulation”), which sets forth the terms and conditions for the proposed settlement and dismissal with prejudice of the above-captioned Actions (the “Settlement”), and provides for the full and final resolution, release, discharge, and settlement of all Released Claims as against the Released Persons, subject to the approval of the Court;

WHEREAS, the Stipulation and the Settlement were presented at a hearing held before this Court on _____, 2025, pursuant to the Court’s Scheduling Order With Respect to Notice and Settlement Hearing, dated _____, 2025 (the “Scheduling Order”);

WHEREAS, the Parties appeared by their attorneys of record and the attorneys for the respective Parties have been heard in support of the Settlement and an opportunity to be heard has been given to all other Persons desiring to be heard as provided in the Notice of Pendency of Settlement of Derivative Actions (the “Notice”); and

WHEREAS, the Court has reviewed and considered the Stipulation, all papers filed and proceedings held in connection with the Settlement, all oral and written comments regarding the proposed Settlement, and the benefits of the proposed Settlement, with good cause appearing therefor.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED, this ____ day of _____, 2025 that:

1. For purposes of this Order and Final Judgment (“Final Judgment”), the Court incorporates by reference the definitions in the Stipulation and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation unless otherwise defined herein.

2. The Court has jurisdiction over the subject matter of the Actions, including all matters necessary to effectuate the Stipulation and this Final Judgment, and over all of the Parties.

3. The Court finds that the Settlement as set forth in the Stipulation is fair, reasonable, adequate, and in the best interests of FAT and its stockholders.

4. The Court finds that the Settlement is the result of good faith, arms’-length negotiations between experienced counsel fairly and adequately representing the interests of the respective Parties.

5. The Court fully and finally approves the Stipulation and the Settlement in all respects, and the Parties are directed to consummate the Settlement in accordance with the terms of the Stipulation.

6. The Notice has been given to all current stockholders of FAT pursuant to and in the manner directed by the Scheduling Order, proof of dissemination of the Notice has been filed with the Court, and a full opportunity to be heard has been

offered to all Parties and Persons in interest. The form and manner of the Notice is hereby determined to have been provided in full compliance with each of the requirements of Court of Chancery Rule 23.1, due process, and applicable law, and to have constituted due, adequate, and sufficient notice to all Persons entitled thereto.

7. The Actions and all claims contained therein, as well as all of the Released Claims, are dismissed with prejudice. As between Plaintiffs and Defendants, the Parties are to bear their own costs, except as otherwise provided in herein.

8. As of the Effective Date, the Parties shall be deemed bound by the Stipulation and this Final Judgment. Upon the Effective Date, and by operation of this Final Judgment, Plaintiffs (both individually and derivatively on behalf of FAT), all other FAT stockholders acting or purporting to act on behalf of FAT, and FAT shall be deemed to have, and shall have, fully, finally, and forever settled, released, and discharged the Released Claims against all Released Persons, as well as any and all claims (including Unknown Claims) against the Released Persons arising out of, relating to, or in connection with the defense, settlement, or resolution of the Actions; provided, however, that nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation, any order awarding attorneys' fees and expenses, or this Final Judgment.

9. Upon the Effective Date, Plaintiffs (both individually and derivatively on behalf of FAT), all other FAT stockholders acting or purporting to act on behalf of FAT, and FAT will be forever barred and enjoined from commencing, prosecuting, or in any way participating in the commencement or prosecution of, any action or proceeding asserting any of the Released Claims against any of the Released Persons, or any action or proceeding against any of the Released Persons arising out of, relating to, or in connection with the defense, settlement, or resolution of the Actions; provided, however, that nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation or this Final Judgment.

10. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of this Final Judgment shall have, fully, finally, and forever settled, released, and discharged all claims (including Unknown Claims) against Plaintiffs and Plaintiffs' Counsel, and their respective Related Persons, arising out of, relating to, or in connection with the commencement, maintenance, prosecution, settlement, or resolution of the Actions; provided, however, that nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation or this Final Judgment.

11. Nothing in this Final Judgment shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation.

12. The Court hereby approves the Fee and Expense Award, comprised of \$_____ in attorneys' fees, plus \$_____ in reimbursement of litigation expenses, for a total amount of \$_____, and finds that this figure is fair and reasonable. The Fee and Expense Award shall be paid pursuant to the provisions of the Stipulation.

13. A Service Award of \$_____ is granted to each of the two Plaintiffs in recognition of their roles and efforts in prosecuting the Actions and achieving the Settlement, to be paid exclusively out of the Fee and Expense Award.

14. The binding effect of this Final Judgment, the enforceability of the Stipulation, and the occurrence of the Settlement's Effective Date, shall not be conditioned upon, subject to, or delayed by the resolution of any appeal from this Final Judgment that relates solely to the issue of the Fee and Expense Award.

15. Neither the Stipulation, nor any of its terms or provisions, nor entry of this Final Judgment, nor any document or exhibit referred to in or attached to the Stipulation, nor any action taken to carry out the Settlement is, may be construed as, or may be offered, received, or used in any way, in the Actions or any other action or proceeding, as evidence of an admission by any of the Parties with respect to the truth of any fact alleged in the Actions, or the validity of any claim that has been or could have been asserted in the Actions or any other litigation, or the deficiency or infirmity of any defense that has been or could have been asserted in the Actions or

in any other litigation, or of any fault, wrongdoing, or liability of any of the Defendants. Notwithstanding the foregoing, Defendants and the Released Persons may file the Stipulation, or any judgment or order of the Court related thereto, including this Final Judgment, in any action that has been or may be brought against them, in order to support a claim or defense based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

16. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

17. Without further approval from the Court, the Parties are hereby authorized to agree to and adopt such amendments, modifications, and expansions of the Stipulation and/or any of the exhibits attached thereto to effectuate the Settlement that are not materially inconsistent with this Final Judgment.

18. In the event that the Settlement (or any amendment thereof by the Settling Parties) is rendered null and void as to all Parties for any reason: (i) all of the Parties shall be deemed to have reverted to their respective litigation statuses as of January 3, 2025, and they shall proceed in all respects as if the Stipulation had not been executed and any related orders had not been entered; (ii) all of their respective claims and defenses as to any issue in the Actions shall be preserved without

prejudice in any way; (iii) the statements made, acts performed, and documents executed in connection with the Settlement shall not be deemed to prejudice in any way the positions of any of the Parties with respect to the Actions, or to constitute an admission of fact or wrongdoing by any Party, nor shall they be used by, or entitle, any Party to recover any fees, costs, or expenses incurred in connection with the Actions; and (iv) neither the existence of the Settlement, nor its terms, nor the contents of the Stipulation, nor any statements made in connection with the negotiation of the Settlement and Stipulation, nor any other settlement communications shall be admissible in evidence or shall be referred to for any purpose in the Actions, or in any other litigation or judicial proceeding.

19. Without affecting the finality of this Final Judgment in any way, this Court retains continuing and exclusive jurisdiction over the Parties and all FAT stockholders for purposes of the administration, implementation, interpretation, and enforcement of the Settlement, Stipulation, and this Final Judgment.

20. There is no just reason to delay the entry of this Final Judgment as a final judgment in the above-captioned Actions pending in this Court. Accordingly, the Register in Chancery is expressly directed to enter immediately this Final Judgment dismissing with prejudice the above-captioned Actions.

Nathan A. Cook, Vice Chancellor

Multi-Case Filing Detail: The document above has been filed and/or served into multiple cases, see the details below including the case number and name.

Transaction Details

Court: DE Court of Chancery Civil Action	Document Type: Exhibits
Transaction ID: 77053518	Document Title: Exhibit D to Amended Stipulation and Agreement of Compromise, Settlement and Release
Submitted Date & Time: Sep 11 2025 9:59AM	

Case Details

Case Number	Case Name
2021-0511-NAC	STAYED/CONF ORD/James Harris v. Squire Junger
2022-0254-NAC	STAYED (2/7/2024) CONF ORDER James Harris v. Squire Junger
