UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2026

or

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

For the transition period from to

Commission File Number: 001-35987

NOODLES & COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**84-1303469**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
520 Zang Street, Suite D **Broomfield, CO**	**80021**
(Address of principal executive offices)	(Zip Code)

(720) 214-1900

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	**NDLS**	**Nasdaq Global Select Market**

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

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

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

Large accelerated filer	☐	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 Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 21, 2026
Class A Common Stock, $0.01 par value per share	5,966,660 shares

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PART I

Item 1. Financial Statements

Noodles & Company
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	June 30, 2026 (unaudited)	December 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 1,299	$ 1,265
Accounts receivable	4,789	4,064
Inventories	9,306	10,218
Prepaid expenses and other assets	2,803	3,034
Income tax receivable	327	312
Total current assets	18,524	18,893
Property and equipment, net	94,401	107,359
Operating lease assets, net	114,220	126,319
Goodwill	7,154	7,154
Intangibles, net	396	420
Other assets, net	1,079	1,526
Total long-term assets	217,250	242,778
Total assets	$ 235,774	$ 261,671
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 16,592	$ 16,545
Accrued payroll and benefits	9,846	7,235
Accrued expenses and other current liabilities	10,457	11,808
Current operating lease liabilities	26,077	26,257
Total current liabilities	62,972	61,845
Long-term debt, net	104,406	108,776
Long-term operating lease liabilities, net	112,050	126,924
Deferred tax liabilities, net	343	316
Other long-term liabilities	7,019	9,115
Total liabilities	286,790	306,976
Stockholders' deficit:		
Preferred stock—$0.01 par value, 1,000,000 shares authorized and undesignated as of June 30, 2026 and December 30, 2025; no shares issued or outstanding	—	—
Common stock—$0.01 par value, 180,000,000 shares authorized as of June 30, 2026 and December 30, 2025; 6,269,645 issued and 5,966,661 outstanding as of June 30, 2026 and 6,155,333 issued and 5,852,349 outstanding as of December 30, 2025 [(1)]	63	62
Treasury stock, at cost, 302,984 shares as of June 30, 2026 and December 30, 2025 [(1)]	(35,000)	(35,000)
Additional paid-in capital	218,314	216,658
Accumulated deficit	(234,393)	(227,025)
Total stockholders' deficit	(51,016)	(45,305)
Total liabilities and stockholders' deficit	$ 235,774	$ 261,671

[(1)] Shares have been retroactively adjusted to reflect the decreased number of shares resulting from a 1-for-8 reverse stock split effectuated on February 18, 2026.

See accompanying notes to condensed consolidated financial statements.

Noodles & Company
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data, unaudited)

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Revenue:				
Restaurant revenue	$ 124,801	$ 123,781	$ 246,241	$ 245,107
Franchising royalties and fees, and other	2,236	2,652	4,582	5,120
Total revenue	127,037	126,433	250,823	250,227
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	31,019	32,860	61,912	65,153
Labor	36,737	39,279	73,147	78,675
Occupancy	10,165	11,393	20,519	22,887
Other restaurant operating costs	25,372	24,414	51,084	50,070
General and administrative	13,857	12,404	26,371	25,214
Depreciation and amortization	5,900	7,139	11,881	14,229
Pre-opening	—	69	—	220
Restaurant impairments, closure costs and asset disposals	5,527	13,653	8,261	14,944
Total costs and expenses	128,577	141,211	253,175	271,392
Loss from operations	(1,540)	(14,778)	(2,352)	(21,165)
Interest expense, net	2,391	2,753	4,989	5,400
Loss before income taxes	(3,931)	(17,531)	(7,341)	(26,565)
Provision for income taxes	20	21	27	44
Net loss	$ (3,951)	$ (17,552)	$ (7,368)	$ (26,609)
Loss per Class A and Class B common stock, combined				
Basic and diluted [1]	$ (0.67)	$ (3.04)	$ (1.25)	$ (4.63)
Weighted average shares of Class A and Class B common stock outstanding, combined				
Basic and diluted [1]	5,927,281	5,770,249	5,894,326	5,746,584

[1] Shares and per share amounts have been retroactively adjusted to reflect the decreased number of shares resulting from a 1-for-8 reverse stock split effectuated on February 18, 2026.

See accompanying notes to condensed consolidated financial statements.

Noodles & Company

Condensed Consolidated Statements of Stockholders' Equity (Deficit)

(in thousands, except share data, unaudited)

	Fiscal Quarter Ended						
	Common Stock[1]		Treasury		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares [2]	Amount	Shares [2]	Amount			
Balance—March 31, 2026	6,195,034	$ 62	302,984	$ (35,000)	$ 217,337	$ (230,442)	$ (48,043)
Stock plan transactions and other	74,611	1	—	—	(133)	—	(132)
Stock-based compensation expense	—	—	—	—	1,110	—	1,110
Net loss	—	—	—	—	—	(3,951)	(3,951)
Balance—June 30, 2026	6,269,645	$ 63	302,984	$ (35,000)	$ 218,314	$ (234,393)	$ (51,016)
Balance—April 1, 2025	6,045,939	$ 60	302,984	$ (35,000)	$ 214,549	$ (193,514)	$ (13,905)
Stock plan transactions and other	60,546	1	—	—	(40)	—	(39)
Stock-based compensation expense	—	—	—	—	721	—	721
Net loss	—	—	—	—	—	(17,552)	(17,552)
Balance—July 1, 2025	6,106,485	$ 61	302,984	$ (35,000)	$ 215,230	$ (211,066)	$ (30,775)

	Two Fiscal Quarters Ended						
	Common Stock[1]		Treasury		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares [2]	Amount	Shares [2]	Amount			
Balance—December 30, 2025	6,155,333	$ 62	302,984	$ (35,000)	$ 216,658	$ (227,025)	$ (45,305)
Stock plan transactions and other	114,312	1	—	—	(214)	—	(213)
Stock-based compensation expense	—	—	—	—	1,870	—	1,870
Net loss	—	—	—	—	—	(7,368)	(7,368)
Balance—June 30, 2026	6,269,645	$ 63	302,984	$ (35,000)	$ 218,314	$ (234,393)	$ (51,016)
Balance—December 31, 2024	6,020,235	$ 60	302,984	$ (35,000)	$ 213,818	$ (184,457)	$ (5,579)
Stock plan transactions and other	86,250	1	—	—	(91)	—	(90)
Stock-based compensation expense	—	—	—	—	1,503	—	1,503
Net loss	—	—	—	—	—	(26,609)	(26,609)
Balance—July 1, 2025	6,106,485	$ 61	302,984	$ (35,000)	$ 215,230	$ (211,066)	$ (30,775)

(1) Unless otherwise noted, activity relates to Class A common stock.
(2) Shares have been retroactively adjusted to reflect the decreased number of shares resulting from a 1-for-8 reverse stock split effectuated on February 18, 2026.

See accompanying notes to condensed consolidated financial statements.

Noodles & Company
Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025
Operating activities		
Net loss	$ (7,368)	$ (26,609)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,881	14,229
Deferred income taxes, net	27	44
Restaurant impairments, closure costs and asset disposals	5,657	13,107
Amortization of debt issuance costs	439	439
Stock-based compensation	1,870	1,503
Changes in operating assets and liabilities:		
Accounts receivable	(725)	124
Inventories	224	(462)
Prepaid expenses and other assets	711	(10)
Accounts payable	(171)	5,344
Income taxes	(15)	(6)
Operating lease assets and liabilities	(2,153)	(1,907)
Accrued expenses and other liabilities	(1,056)	(2,615)
Net cash provided by operating activities	9,321	3,181
Investing activities		
Purchases of property and equipment	(3,586)	(6,318)
Net cash used in investing activities	(3,586)	(6,318)
Financing activities		
Net borrowings (payments) from swing line loan	1,491	(5,590)
Proceeds from borrowings on long-term debt	—	10,850
Payments on long-term debt	(6,300)	—
Payments on finance leases	(679)	(918)
Stock plan transactions and tax withholding on share-based compensation awards	(213)	(90)
Net cash (used in) provided by financing activities	(5,701)	4,252
Net increase in cash and cash equivalents	34	1,115
Cash and cash equivalents		
Beginning of period	1,265	1,149
End of period	$ 1,299	$ 2,264

See accompanying notes to condensed consolidated financial statements.

NOODLES & COMPANY

Notes to Condensed Consolidated Financial Statements

(unaudited)

1. Business Summary and Basis of Presentation

Business

Noodles & Company (the "Company"), a Delaware corporation, develops and operates fast-casual restaurants that serve globally-inspired noodle and pasta dishes, soups, salads and appetizers. As of June 30, 2026, the Company had 396 restaurants system-wide in 30 states, comprised of 318 company-owned restaurants and 78 franchise restaurants. The Company operates its business as one operating and reportable segment.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Noodles & Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The accompanying interim unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all 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. The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. The results of operations for any interim period are not necessarily indicative of results for the full year. Certain information and footnote disclosures normally included in the Company's annual consolidated financial statements on Form 10-K have been condensed or omitted. The condensed consolidated balance sheet as of December 30, 2025 was derived from audited financial statements. These financial statements should be read in conjunction with the audited financial statements and the related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2025.

Fiscal Year

The Company operates on a 52- or 53-week fiscal year ending on the Tuesday closest to December 31. The Company's fiscal quarters each contain 13 operating weeks, with the exception of the fourth quarter of a 53-week fiscal year, which contains 14 operating weeks. Fiscal year 2026, which ends on December 29, 2026, and fiscal year 2025, which ended on December 30, 2025, each contain 52 weeks. The Company's fiscal quarter that ended June 30, 2026 is referred to as the second quarter of 2026, and the fiscal quarter ended July 1, 2025 is referred to as the second quarter of 2025.

Reverse Stock Split

On February 4, 2026, the Company's Board of Directors approved a reverse stock split of the Company's issued and outstanding Class A common stock, par value $0.01 per share. The reverse stock split was effectuated on February 18, 2026 at a 1-for-8 ratio (the "Reverse Stock Split"). All issued and outstanding common stock and per share amounts contained in this 10-Q related to prior periods have been adjusted retroactively to reflect the change in capital structure as a result of the reverse stock split.

Recently Adopted Accounting Pronouncement

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The ASU includes amendments requiring enhanced income tax disclosures, primarily related to standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The Company adopted ASU No. 2023-09 prospectively during the year ended December 30, 2025.

Recently Issued Accounting Pronouncement

In November 2024, the FASB issued ASU No. 2024-03, "Disaggregation of Income Statement Expenses (Subtopic 220-40)." The ASU requires public entities to disaggregate, in a tabular presentation, certain income statement expenses into different categories, such as purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted, and may be applied retrospectively. The Company is currently evaluating the impact of adopting the new ASU on its consolidated financial statements and related disclosures.

2. Supplemental Financial Information

Accounts receivable consist of the following (in thousands):

	June 30, 2026	December 30, 2025
Delivery program receivables	$ 2,097	$ 1,412
Vendor rebate receivables	739	704
Franchise receivables	721	780
Other receivables	1,232	1,168
Accounts receivable	$ 4,789	$ 4,064

Prepaid expenses and other assets consist of the following (in thousands):

	June 30, 2026	December 30, 2025
Prepaid insurance	$ 1,088	$ 510
Prepaid occupancy related costs	749	814
Prepaid expenses	946	1,689
Other current assets	20	21
Prepaid expenses and other assets	$ 2,803	$ 3,034

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

	June 30, 2026	December 30, 2025
Leasehold improvements	$ 203,903	$ 214,545
Furniture, fixtures and equipment	168,361	176,948
Construction in progress	1,925	2,095
	374,189	393,588
Accumulated depreciation and amortization	(279,788)	(286,229)
Property and equipment, net	$ 94,401	$ 107,359

Accrued payroll and benefits consist of the following (in thousands):

	June 30, 2026	December 30, 2025
Accrued payroll and related liabilities	$ 4,832	$ 4,400
Accrued bonus	3,241	1,088
Insurance liabilities	1,773	1,747
Accrued payroll and benefits	$ 9,846	$ 7,235

Accrued expenses and other current liabilities consist of the following (in thousands):

	June 30, 2026	December 30, 2025
Gift card liability	$ 2,030	$ 2,236
Occupancy related	937	1,262
Utilities	1,433	1,498
Current portion of finance lease liability	1,793	1,877
Other restaurant expense accruals	1,188	1,144
Other corporate expense accruals	3,076	3,791
Accrued expenses and other current liabilities	$ 10,457	$ 11,808

3. Long-Term Debt

On July 27, 2022, the Company amended and restated its Credit Agreement by entering into the Amended and Restated Credit Agreement (as further amended, restated, extended, supplemented, modified and otherwise in effect from time to time, the “A&R Credit Agreement”), with each other Loan Party (as defined in the A&R Credit Agreement) party thereto, each lender from time to time party thereto, and U.S. Bank National Association, as Administrative Agent, L/C Issuer and Swing Line Lender (each as defined in the A&R Credit Agreement). The A&R Credit Agreement matures on July 27, 2027 and is secured by a pledge of stock of substantially all of the Company’s subsidiaries and a lien on substantially all of the personal property assets of the Company and its subsidiaries. Among other things, the A&R Credit Agreement: (i) increased the credit facility from $100.0 million to $125.0 million; (ii) eliminated the term loan and principal amortization components of the credit facility; (iii) removed the Company’s capital expenditure covenant; (iv) enhanced flexibility for certain covenants and restrictions; and (v) lowered the spread of the Company’s cost of borrowing and transitioned from the London Interbank Offered Rate (“LIBOR”) to the Secured Overnight Financing Rate (“SOFR”) plus a margin of 1.50% to 2.50% per annum, based upon the consolidated total lease-adjusted leverage ratio. The A&R Credit Agreement was subsequently amended on December 21, 2023 and on October 29, 2024, the Company entered into that certain Second Amendment to the Amended and Restated Credit Agreement (the “Second Amendment”). Among the modifications, the Second Amendment: (i) increased the maximum applicable rate ranges (ii) conditioned the use of the general restricted payment basket on satisfaction of a Consolidated Total Lease Adjusted Leverage Ratio (as defined in the A&R Credit Agreement) of less than or equal to 4.00 to 1.00 and a Consolidated Fixed Charge Coverage Ratio (as defined in the A&R Credit Agreement) of greater than or equal to 1.25 to 1.00, (iii) restricted entry into new lease agreements so long as the Consolidated Total Lease Adjusted Leverage Ratio (as defined in the A&R Credit Agreement) in Section 7.11(a) of the A&R Credit Agreement is greater than or equal to 4.50 to 1.00, (iv) increased the Consolidated Total Lease Adjusted Leverage Ratio (as defined in the A&R Credit Agreement) in Section 7.11(a) of the A&R Credit Agreement to be no greater than (1) 5.00 to 1.00 for the fiscal quarters ending March 31, 2026 and June 30, 2026, (2) 4.75 to 1.00 for the fiscal quarters ending September 29, 2026 and December 29, 2026 and (3) 4.50 to 1.00 for the fiscal quarter ended March 30, 2027 and thereafter and (v) amended the Consolidated Fixed Charge Coverage Ratio (as defined in the A&R Credit Agreement) in Section 7.11(b) of the A&R Credit Agreement to be no less than (1) 1.15 to 1.00 for the fiscal quarters ending December 30, 2025 and March 31, 2026 and (2) 1.25 to 1.00 for the fiscal quarter ending June 30, 2026 and thereafter.

As of June 30, 2026, the Company had $105.4 million of indebtedness (excluding $0.9 million of unamortized debt issuance costs) and $3.0 million of letters of credit outstanding under the A&R Credit Agreement. The Company maintains outstanding letters of credit to secure obligations under its workers’ compensation program and certain lease obligations. The Company was in compliance with all of its debt covenants as of June 30, 2026. The Company’s revolver, which had a balance of $103.5 million as of June 30, 2026, bore interest at rates between 6.68% and 9.50% during the first two quarters of 2026. The Company’s swingline, which had a balance of $1.9 million as of June 30, 2026, bore interest between 8.75% and 9.5% in the first two quarters of 2026. As of June 30, 2026, the Company had cash on hand of $1.3 million. The Company will require new financing or other sources of capital to repay, or an agreement with its current lenders to extend or refinance, the amounts outstanding under the A&R Credit Agreement on or before maturity on July 27, 2027. The Company continues to review its options with respect to such debt obligation in connection with its review of strategic alternatives; however, there is no assurance that the Company will obtain such financing, other sources of capital, an extension or refinancing on or before the maturity date.

4. Fair Value Measurements

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and all other current assets and liabilities approximate fair value due to their short-term nature. The carrying amounts of borrowings approximate fair value as the line of credit borrowings vary with market interest rates and negotiated terms and conditions are consistent with current market rates. The fair value of the Company's revolving line of credit borrowings are measured using Level 2 inputs.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Assets recognized or disclosed at fair value in the condensed consolidated financial statements on a non-recurring basis include items such as leasehold improvements, property and equipment, operating lease assets, goodwill and other intangible assets. These assets are measured at fair value if determined to be impaired.

Adjustments to the fair value of assets measured at fair value on a non-recurring basis as of June 30, 2026 and July 1, 2025 are discussed in Note 7, Restaurant Impairments, Closure Costs and Asset Disposals.

5. Income Taxes

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

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Provision for income taxes	$ 20	$ 21	$ 27	$ 44
Effective income tax rate	(0.5)%	(0.1)%	(0.4)%	(0.2)%

The effective tax rate for the second quarter and first two quarters of 2026 and 2025, reflects the impact of the previously recorded valuation allowance. For the remainder of fiscal 2026, the Company does not anticipate material income tax expense or benefit as a result of the valuation allowance recorded. The Company will maintain the valuation allowance against deferred tax assets until there is sufficient evidence to support a full or partial reversal. The reversal of a previously recorded valuation allowance will generally result in a benefit from income tax.

On July 4, 2025, the United States Congress enacted H.R.1, commonly known as the One Big Beautiful Bill Act, which introduces a wide range of tax reform measures. These include extensions and modifications of key provisions from the Tax Cuts and Jobs Act, as well as changes to rules allowing accelerated tax deductions for qualified property and research expenditures. The legislation includes multiple effective dates, with certain provisions that took effect in 2025 and others phased in through 2027. The Company has evaluated the provisions of the legislation and does not expect the adoption or implementation of these measures to have a material impact on its financial statements, effective tax rate, or cash tax position. The Company will continue to monitor forthcoming administrative guidance and regulatory developments that may further clarify the application of the provisions.

6. Stock-Based Compensation

In May of 2023, the Company's stockholders approved the 2023 Stock Incentive Plan (the "2023 Plan"). The 2023 Plan authorizes the grant of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance share units and incentive bonuses to employees, officers, non-employee directors and other service providers, as applicable. As of June 30, 2026, approximately 0.3 million share-based awards were available to be granted under the 2023 Plan. In July of 2024, the Company's Board of Directors adopted the 2024 Inducement Plan (the "Inducement Plan"). The Inducement Plan provides for the potential grant of options, stock appreciation rights, restricted stock and restricted stock units, any of which may be performance-based, and for incentive bonuses, which may be paid in cash or stock or a combination thereof, for certain newly hired employees. As of June 30, 2026, 37,982 share-based awards were available to be granted under the Inducement Plan.

The following table shows total stock-based compensation expense (in thousands):

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Stock-based compensation expense	$ 1,145	$ 728	$ 1,930	$ 1,518
Capitalized stock-based compensation expense	$ —	$ 7	$ —	$ 18

7. Restaurant Impairments, Closure Costs and Asset Disposals

The following table presents restaurant impairments, closure costs and asset disposals (in thousands):

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Restaurant impairments (1)	$ 4,848	$ 11,861	$ 7,509	$ 12,487
Closure costs (1)	152	693	(359)	(54)
Loss on disposal of assets and other	527	1,099	1,111	2,511
	$ 5,527	$ 13,653	$ 8,261	$ 14,944

(1) Restaurant impairments and closure costs in all periods presented above include amounts related to restaurants previously impaired or closed.

Impairment is based on management's current assessment of the expected future cash flows of a restaurant based on recent results and other specific market factors. Impairment expense is a Level 3 fair value measure and is determined by comparing the carrying value of restaurant assets to the estimated fair value of the restaurant assets at resale value, if any, and the right-of-use asset based on a discounted cash flow analysis utilizing market lease rates.

The Company has identified a group of restaurants that the Company will seek to close on or before their next lease renewal dates, and are unlikely to recover the net book value of their assets. In the second quarter of 2026, the Company recorded fixed asset impairment charges on eight restaurants, and wrote down lease related assets on six restaurants. In the second quarter of 2025, the Company recorded fixed asset impairment charges on 15 restaurants, and wrote down lease related assets on ten restaurants.

The Company recorded fixed asset impairment charges on 11 restaurants, and wrote down lease related assets on 16 restaurants in the first two quarters of 2026. The Company recorded fixed asset impairment charges on 15 restaurants, and wrote down lease related assets on 11 restaurants in the first two quarters of 2025. All periods include ongoing equipment costs for restaurants previously impaired.

The Company closed two restaurants during the second quarter of 2026 and had 22 restaurant closures in the first two quarters of 2026. The Company closed six restaurants in the second quarter of 2025 and had nine restaurant closures in the first two quarters of 2025. Both periods included ongoing expenses from restaurant closures during the period and in prior years. Closure costs were offset by gains from lease asset remeasurements and the adjustments to liabilities as lease terminations occur resulting in net gains of $0.4 million and $0.1 million in the first two quarters of 2026 and 2025, respectively.

8. Earnings (Loss) Per Share

Basic earnings (loss) per share ("EPS") is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding during each period. Diluted EPS is calculated using net income (loss) available to common stockholders divided by diluted weighted-average shares of common stock outstanding during each period. Potentially dilutive securities include shares of common stock underlying stock options and restricted common stock. Diluted EPS considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect.

The following table sets forth the computations of basic and diluted EPS (in thousands, except share and per share data). The number of shares and loss per share for the prior period have been restated to reflect the 1-for-8 Reverse Stock Split effectuated on February 18, 2026.

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Net loss attributable to common stockholders	$ (3,951)	$ (17,552)	$ (7,368)	$ (26,609)
Shares:				
Basic weighted average shares outstanding	5,927,281	5,770,249	5,894,326	5,746,584
Effect of dilutive securities	—	—	—	—
Diluted weighted average shares outstanding	5,927,281	5,770,249	5,894,326	5,746,584
Loss per share				
Basic and diluted loss per share	$ (0.67)	$ (3.04)	$ (1.25)	$ (4.63)

The Company computes the effect of dilutive securities using the treasury stock method and average market prices during the period. Potential common shares are excluded from the computation of diluted loss per share when the effect would be anti-dilutive. Shares issuable on the vesting or exercise of share-based awards were excluded from the calculation of diluted loss per share because the effect of their inclusion would have been anti-dilutive totaled 385,362 and 553,411 for the second quarters of 2026 and 2025, respectively, and totaled 366,872 and 513,893 for the first two quarters of 2026 and 2025, respectively.

9. Leases

Supplemental balance sheet information related to leases is as follows (in thousands):

	Classification	June 30, 2026	December 30, 2025
Assets			
Operating	Operating lease assets, net	$ 114,220	$ 126,319
Finance	Property and equipment	4,709	6,373
Total leased assets		$ 118,929	$ 132,692
Liabilities			
Current lease liabilities			
Operating	Current operating lease liabilities	$ 26,077	$ 26,257
Finance	Accrued expenses and other current liabilities	1,793	1,877
Long-term lease liabilities			
Operating	Long-term operating lease liabilities	112,050	126,924
Finance	Other long-term liabilities	3,690	5,020
Total lease liabilities		$ 143,610	$ 160,078

Sublease income recognized in the Condensed Consolidated Statements of Operations was $0.5 million and $0.7 million for the second quarters of 2026 and 2025, and $1.0 million and $1.5 million for the first two quarters of 2026 and 2025, respectively.

Supplemental disclosures of cash flow information related to leases are as follows (in thousands):

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Cash paid for lease liabilities:				
Operating leases	$ 9,527	$ 10,691	$ 19,129	$ 21,437
Finance leases	540	619	972	1,243
	$ 10,067	$ 11,310	$ 20,101	$ 22,680
Right-of-use assets obtained in exchange for lease liabilities:				
Operating leases	$ 4,397	$ 1,021	$ 4,833	$ 2,341
Finance leases	—	93	—	4,687
	$ 4,397	$ 1,114	$ 4,833	$ 7,028

10. Supplemental Disclosures to Condensed Consolidated Statements of Cash Flows

The following table presents the supplemental disclosures to the Condensed Consolidated Statements of Cash Flows for the two quarters ended June 30, 2026 and July 1, 2025 (in thousands):

	June 30, 2026	July 1, 2025
Interest paid (net of amounts capitalized)	$ 4,364	$ 4,061
Income taxes paid	15	—
Purchases of property and equipment accrued in accounts payable	1,635	1,656

11. Revenue Recognition

Revenue

Revenue consists of sales from restaurant operations, franchise royalties and fees, and sublease income. Revenue from the operation of company-owned restaurants is recognized when sales occur. Revenue from sales made through third-party delivery services are recognized upon the transfer of food to the guest, excluding the delivery fee. Revenue from sales made through the Company website or mobile app are generally recognized including delivery fees. The Company reports revenue net of sales tax collected from customers and remitted to governmental taxing authorities.

Gift Cards

The Company sells gift cards which do not have an expiration date, and it does not deduct non-usage fees from outstanding gift card balances. The Company recognizes revenue from gift cards when the gift card is redeemed by the customer or the Company determines the likelihood of the gift card being redeemed by the customer is remote ("gift card breakage"). The determination of the gift card breakage rate is based upon Company-specific historical redemption patterns. The Company has determined that approximately 15% of gift cards will not be redeemed and recognizes gift card breakage ratably over the estimated redemption period of the gift card, which is approximately 24 months. Gift card liability balances are typically highest at the end of each calendar year following increased gift card purchases during the holiday season.

As of June 30, 2026 and December 30, 2025, the current portion of the gift card liability amounting to $2.0 million and $2.2 million, respectively, was included in accrued expenses and other current liabilities, and the long-term portion amounting to $0.6 million and $0.8 million, respectively, was included in other long-term liabilities in the Condensed Consolidated Balance Sheets.

Revenue recognized in the Condensed Consolidated Statements of Operations for the redemption of gift cards was $0.5 million and $0.6 million for the second quarters of 2026 and 2025, respectively, and $1.3 million for both of the first two quarters of 2026 and 2025.

Franchise Fees

Royalties from franchise restaurants are based on a percentage of restaurant revenues and are recognized in the period the related franchised restaurants' sales occur. Development and franchise fees, portions of which are collected in advance, are nonrefundable and are recognized in income ratably over the term of the related franchise agreement or recognized upon the termination of the agreement between the Company and the franchisee. The Company has determined that the initial franchise services are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation; therefore, initial fees received from franchisees are recognized as revenue over the term of each respective franchise agreement, which is typically 20 years.

Loyalty Program

The Company operates the Noodles Rewards program, which is primarily a spend-based loyalty program. With each purchase, Noodles Rewards members earn loyalty points that can be redeemed for rewards, including free products. Using an estimate of the value of reward redemptions, we defer revenue associated with points earned, net of estimated points that will not be redeemed based upon the Company's historical redemption patterns. Points generally expire after six months. Revenue is recognized in a future period when the reward points are redeemed. As of June 30, 2026 and December 30, 2025, the deferred revenue related to the rewards was $0.9 million and $1.1 million, respectively, and is included in accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets.

12. Commitments and Contingencies

In the normal course of business, the Company is subject to proceedings, lawsuits and claims. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, the Company is unable to ascertain the ultimate aggregate amount of monetary liability or financial impact with respect to these matters as of June 30, 2026. These matters could affect the operating results of any one financial reporting period when resolved in future periods. The Company believes that an unfavorable outcome with respect to these matters is remote or a potential range of loss is not material to its consolidated financial statements. Significant increases in the number of these claims, or one or more successful claims that result in greater liabilities than the Company currently anticipates, could materially and adversely affect its business, financial condition, results of operations or cash flows.

13. Segment Reporting

The Company's Chief Operating Decision Maker ("CODM") is the senior executive team that includes the President and Chief Executive Officer and the Chief Financial Officer. The Company has one reportable operating segment. The one reportable segment derives its revenue from company-owned restaurants and franchise owned restaurants. No guest accounts for 10% or more of the Company's revenues. The Company's CODM uses income (loss) from operations to evaluate performance and make key operating decisions, such as deciding the rate at which we invest resources into the segment.

The following table presents selected financial information with respect to our single reportable segment regularly reviewed by our CODM (in thousands):

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Revenue:				
Restaurant revenue	$ 124,801	$ 123,781	$ 246,241	$ 245,107
Franchising royalties and fees, and other	2,236	2,652	4,582	5,120
Total segment revenue	127,037	126,433	250,823	250,227
Less:				
Cost of sales	31,019	32,860	61,912	65,153
Labor	36,737	39,279	73,147	78,675
Occupancy	10,165	11,393	20,519	22,887
Other restaurant operating costs	25,372	24,414	51,084	50,070
General and administrative	13,857	12,404	26,371	25,214
Depreciation and amortization	5,900	7,139	11,881	14,229
Pre-opening	—	69	—	220
Restaurant impairments, closure costs and asset disposals	5,527	13,653	8,261	14,944
Total segment expenses	128,577	141,211	253,175	271,392
Segment loss from operations	$ (1,540)	$ (14,778)	$ (2,352)	$ (21,165)
Reconciliation:				
Interest expense, net	2,391	2,753	4,989	5,400
Consolidated loss before income taxes	$ (3,931)	$ (17,531)	$ (7,341)	$ (26,565)

	June 30, 2026	December 30, 2025
Other segment disclosures (in thousands):		
Total long-lived assets [1]	$ 208,621	$ 233,678
Total assets	$ 235,774	$ 261,671

(1) Long-lived assets include the Company’s property and equipment and operating lease assets presented in the Condensed Consolidated Balance Sheets.

NOODLES & COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

Noodles & Company is a Delaware corporation that was organized in 2002. Noodles & Company and its subsidiaries are sometimes referred to as "we," "us," "our" and the "Company" in this report. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes in Item 1 and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for our fiscal year ended December 30, 2025. We operate on a 52- or 53-week fiscal year ending on the Tuesday closest to December 31. Our fiscal quarters each contain 13 operating weeks, with the exception of the fourth quarter of a 53-week fiscal year, which contains 14 operating weeks. Fiscal years 2026 and 2025 contain 52 weeks.

Cautionary Note Regarding Forward-Looking Statements

In addition to historical information, this discussion and analysis contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties such as the number of restaurants we intend to open, projected capital expenditures and estimates of our effective tax rates. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "plan" or the negative of these terms and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on currently available operating, financial and competitive information. Examples of forward-looking statements include all matters that are not historical facts, such as statements regarding expectations with respect to projected capital expenditures and our financial results, condition and liquidity needs. Our actual results may differ materially from those anticipated in these forward-looking statements due to reasons including, but not limited to, uncertainties as to the availability, suitability, structure, terms, and timing of any strategic transaction resulting from the strategic review and whether any such transaction will be completed, the impact of any such strategic transaction on Noodles & Company, and whether the strategic benefits of any such strategic transaction can be achieved; current performance trends and our expectations for future performance; our ability to repay, refinance or obtain new financing on acceptable terms, if at all, and comply with our covenants under the A&R Credit Agreement, which matures on July 27, 2027; our ability to sustain our overall growth, including, our digital sales growth; our ability to effectively optimize our restaurant portfolio including closures; our ability to achieve and maintain increases in comparable restaurant sales and to successfully execute our business strategy, including operational strategies to improve the performance of our restaurant portfolio; the success of our brand strategy and marketing efforts, including our ability to successfully introduce new menu items, including limited time offerings and the success of our promotions; our pricing strategies; economic conditions, including inflation, an economic recession, an elevated interest rate environment, tariffs and trade restrictions and any impact of government shutdowns on overall economic conditions and consumer spending; price and availability of commodities and other supply chain challenges; our ability to adequately staff our restaurants; changes in labor costs; our ability to maintain compliance with requirements for continued listing on the Nasdaq Global Select Market; other conditions beyond our control such as domestic or global conflicts, wars, terrorist activity, weather, natural disasters, disease outbreaks, epidemics or pandemics impacting our customers or food supplies; and consumer reaction to industry related public health issues and health pandemics, including perceptions of food safety and those discussed in "Special Note Regarding Forward-Looking Statements" and "Risk Factors" as filed in our Annual Report on Form 10-K for our fiscal year ended December 30, 2025.

Recent Trends, Risks and Uncertainties

Reverse Stock Split. On February 18, 2026, the amendment to our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") took effect to implement the Reverse Stock Split of our issued and outstanding shares of Class A common stock, par value $0.01 per share, at a ratio of 1-for-8.

No fractional shares were issued as a result of the Reverse Stock Split and it did not impact the par value of our common stock. Neither the Reverse Stock Split nor the related amendment to the Certificate of Incorporation had any impact on the number of shares of common stock or preferred stock we are authorized to issue under the Certificate of Incorporation or the number of issued and outstanding shares of our preferred stock (of which there are currently none).

All shares of common stock, stock-based compensation awards and per share amounts for the prior periods included in the Consolidated Financial Statements and applicable notes of this 10-Q and elsewhere in this 10-Q have been adjusted retroactively to reflect the effect of the Reverse Stock Split and related amendment to the Certificate of Incorporation.

Strategic Review. On September 3, 2025, we announced that our Board of Directors had initiated a review of strategic alternatives in order to explore ways to maximize stockholder value. The review includes a range of potential strategic alternatives, including a refinancing of existing indebtedness that matures on July 27, 2027, refranchising or sale of all or part of the business, and/or other strategic or financial transactions. Such review remains in process.

Revenue. In the second quarter, we saw an increase in revenue as a result of an increase in comparable restaurant sales, partially offset by permanent restaurant closures. System-wide comparable restaurant sales increased 10.3% in the second quarter of 2026 compared to the same period of 2025, comprised of an 11.4% increase at company-owned restaurants and a 5.5% increase at franchise-owned restaurants. Our comparable restaurant sales continue to be positively aided by menu innovation including the introduction of Delicious Duos and the recent successful limited time offerings, like Chili Garlic Ramen, Steak Stroganoff, Indonesian Peanut Chicken Sauté and Chicken Artichoke & Asparagus Rigatoni, and the benefit of sales transferring from restaurants that we closed to our nearby restaurants.

Cost of Sales. Our second quarter 2026 cost of sales benefited from an increase in menu prices and reduced food waste related to new menu items, which offset the impact of inflation. We continue to monitor commodity inflation and, throughout periods of volatility, we will continue to work with our suppliers to identify ongoing supply chain efficiencies, including adding additional suppliers as necessary.

We have evaluated and will continue to evaluate the impact of import laws and tariffs, including the potential for any refunds, on our operations as some of our food items are imported from India, Mexico and other countries. As of June 30, 2026, there was no material impact on our business, financial condition, results of operations or cash flows. However, we expect tariffs may impact our operations in certain areas, such as food and beverage costs, construction and equipment costs and other restaurant operating costs, for the remainder of fiscal 2026. We will continue to utilize fixed price contracts for certain key items to mitigate risk.

Labor Costs. Similar to much of the restaurant industry, our base labor costs have risen in recent years. We have been able to partially mitigate the impact of these market factors through a continued focus on maximizing efficiencies of labor hour usage per restaurant and wage inflation has stabilized to less than 3%. As a percentage of restaurant sales, labor costs continue to benefit from sales leverage including the benefit of sales transferring from restaurants that have closed to our nearby restaurants.

Other Restaurant Operating Costs. We have incurred, and expect to continue to incur, increased third-party delivery fees due to significant increased usage of third-party delivery services resulting in a higher mix of third party delivery sales. As a percentage of restaurant sales, other restaurant operating costs continue to benefit from sales leverage including the benefit of sales transferring from restaurants that have closed to our nearby restaurants.

Restaurant Development. We did not open any new company-owned restaurants in the first two quarters of 2026 and do not plan to open any company-owned restaurants in 2026. As of June 30, 2026, we had 318 company-owned restaurants and 78 franchise restaurants in 30 states.

Impairments and Certain Restaurant Closures. We impaired fixed assets related to 11 restaurants in the first two quarters of 2026 primarily related to closure decisions on underperforming restaurants. In the first two quarters of 2026, we wrote down lease-related assets for sixteen restaurants. We permanently closed 22 company-owned restaurants in the first two quarters of 2026 and we anticipate closing an additional 8 to 13 restaurants in 2026, of which six were closed subsequent to the end of the second quarter. We continue to analyze our restaurant portfolio and expect to close certain restaurants that are either generating low or negative cash flows, approaching the expiration of their leases, in trade areas that are not as well positioned for current consumer trends and/or there is a potential for a significant amount of sales transfer to nearby restaurants given strong off premise sales.

Key Measures We Use to Evaluate Our Performance

To evaluate the performance of our business, we utilize a variety of financial and performance measures. These key measures include revenue, comparable restaurant sales, average unit volumes (“AUVs”), restaurant contribution, restaurant contribution margin, EBITDA and adjusted EBITDA. Restaurant contribution, restaurant contribution margin, EBITDA and adjusted EBITDA are non-GAAP financial measures.

Revenue

Revenue includes both restaurant revenue and franchise royalties and fees. Restaurant revenue represents sales of food and beverages in company-owned restaurants. Several factors affect our restaurant revenue in any period, including the number of restaurants in operation and per-restaurant sales. Franchise royalties and fees represent royalty income and initial franchise fees. While we expect that the majority of our revenue and net income growth will be driven by company-owned restaurants, our franchise restaurants remain an important factor impacting our revenue and financial performance.

Seasonal factors cause our revenue to fluctuate from quarter to quarter. Our revenue per restaurant is typically lower in the first and fourth quarters, due to reduced winter and holiday traffic, and is typically higher in the second and third quarters. As a result of these factors, our quarterly operating results and comparable restaurant sales may fluctuate.

Comparable Restaurant Sales

Comparable restaurant sales refer to year-over-year sales comparisons for the comparable restaurant base. We define the comparable restaurant base to include restaurants open for at least 18 full periods. This measure highlights the performance of existing restaurants, as the impact of new restaurant openings is excluded. Changes in comparable restaurant sales are generated by changes in traffic, which we calculate as the number of entrées sold, and changes in per-person spend, calculated as sales divided by traffic. Per-person spend can be influenced by changes in menu prices and the mix and number of items sold per person.

Measuring our comparable restaurant sales allows us to evaluate the performance of our existing restaurant base. Various factors impact comparable restaurant sales, including, but not limited to:

- introduction of new and seasonal menu items and limited time offerings;
- consumer recognition of our brand and our ability to respond to changing consumer preferences;
- overall economic trends, particularly those related to consumer spending;
- our ability to operate restaurants effectively and efficiently to meet consumer expectations;
- pricing and perceived value;
- the number of restaurant transactions, per-person spend and average check amount;
- marketing and promotional efforts;
- abnormal weather patterns;
- food safety and foodborne illness concerns;
- the impact of health pandemics;
- local and national competition;
- trade area dynamics;
- tariffs or trade restrictions; and
- opening and closing restaurants in the vicinity of other restaurant locations.

Consistent with common industry practice, we present comparable restaurant sales on a calendar-adjusted basis that aligns current year sales weeks with comparable periods in the prior year, regardless of whether they belong to the same fiscal period or not. Comparable restaurant sales is only one measure of how we evaluate our performance.

Average Unit Volumes

AUVs consist of the average annualized sales of all company-owned restaurants for a given time period. AUVs are calculated by dividing restaurant revenue by the number of operating days within each time period and multiplying by the number of operating days we have in a typical year. This measurement allows management to assess changes in consumer traffic and per person spending patterns at our restaurants. In addition to the factors that impact comparable restaurant sales, AUVs can be further impacted by effective real estate site selection and maturity and trends within new markets.

Restaurant Contribution and Restaurant Contribution Margin

Restaurant contribution represents restaurant revenue less restaurant operating costs which are cost of sales, labor, occupancy and other restaurant operating costs. Restaurant contribution margin represents restaurant contribution as a percentage of restaurant revenue. We expect restaurant contribution to increase in proportion to the number of new restaurants we open, our comparable restaurant sales growth and cost reduction initiatives.

We believe that restaurant contribution and restaurant contribution margin are important tools for investors and other interested parties because they are widely-used metrics within the restaurant industry to evaluate restaurant-level productivity, efficiency and performance. We also use restaurant contribution and restaurant contribution margin as metrics to evaluate the profitability of incremental sales at our restaurants, restaurant performance across periods and restaurant financial performance compared with competitors. Restaurant contribution and restaurant contribution margin are supplemental measures of the operating performance of our restaurants and are not reflective of the underlying performance of our business because corporate-level expenses are excluded from these measures.

EBITDA and Adjusted EBITDA

We define EBITDA as net income (loss) before net interest expense, provision (benefit) for income taxes and depreciation and amortization. We define adjusted EBITDA as net income (loss) before net interest expense, provision (benefit) for income taxes, depreciation and amortization, restaurant impairments, loss on disposal of assets, net lease exit costs (benefits), severance, executive transition costs, corporate transaction costs and stock-based compensation.

We believe that EBITDA and adjusted EBITDA provide clear pictures of our operating results by eliminating certain non-recurring and non-cash expenses that may vary widely from period to period and are not reflective of the underlying business performance.

The presentation of restaurant contribution, restaurant contribution margin, EBITDA and adjusted EBITDA, which may not be comparable to similarly titled financial measures used by other companies, is not intended to be considered in isolation or as a substitute for, or to be superior to, the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”). We use these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. We believe that they provide useful information to management and investors about operating results, enhance the overall understanding of past financial performance and future prospects and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making.

Results of Operations

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

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
	(in thousands, unaudited)			
Net loss	$ (3,951)	$ (17,552)	$ (7,368)	$ (26,609)
Depreciation and amortization	5,900	7,139	11,881	14,229
Interest expense, net	2,391	2,753	4,989	5,400
Provision for income taxes	20	21	27	44
EBITDA	$ 4,360	$ (7,639)	$ 9,529	$ (6,936)
Restaurant impairments[1]	4,848	11,861	7,508	12,487
Loss on disposal of assets	224	800	1,072	1,763
Lease exit (benefits) costs, net	(403)	252	(2,461)	(878)
Severance, executive transition costs and corporate transaction costs	599	14	846	466
Stock-based compensation expense	1,145	728	1,930	1,518
Adjusted EBITDA	$ 10,773	$ 6,016	$ 18,424	$ 8,420

(1) Restaurant impairments in all periods presented above include amounts related to restaurants previously impaired. See Note 7, Restaurant Impairments, Closure Costs and Asset Disposals.

The following table presents a reconciliation of loss from operations to restaurant contribution:

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Loss from operations	$ (1,540)	$ (14,778)	$ (2,352)	$ (21,165)
Less: Franchising royalties and fees, and other	2,236	2,652	4,582	5,120
Plus: General and administrative	13,857	12,404	26,371	25,214
Depreciation and amortization	5,900	7,139	11,881	14,229
Pre-opening	—	69	—	220
Restaurant impairments, closure costs and asset disposals	5,527	13,653	8,261	14,944
Restaurant contribution	$ 21,508	$ 15,835	$ 39,579	$ 28,322
Restaurant contribution margin	17.2 %	12.8 %	16.1 %	11.6 %

Restaurant Openings, Closures and Relocations

The following table shows restaurants opened or closed during the periods indicated:

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Company-Owned Restaurant Activity				
Beginning of period	320	369	340	371
Openings	—	1	—	2
Closures	(2)	(6)	(22)	(9)
Restaurants at end of period	318	364	318	364
Franchise Restaurant Activity				
Beginning of period	80	91	83	92
Openings	—	—	—	—
Closures	(2)	(2)	(5)	(3)
Restaurants at end of period	78	89	78	89
Total restaurants	396	453	396	453

Statement of Operations as a Percentage of Revenue

The following table summarizes key components of our results of operations for the periods indicated as a percentage of our total revenue, except for the components of restaurant operating costs, which are expressed as a percentage of restaurant revenue.

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
	(unaudited)			
Revenue:				
Restaurant revenue	98.2 %	97.9 %	98.2 %	98.0 %
Franchising royalties and fees, and other	1.8 %	2.1 %	1.8 %	2.0 %
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	24.9 %	26.5 %	25.1 %	26.6 %
Labor	29.4 %	31.7 %	29.7 %	32.1 %
Occupancy	8.1 %	9.2 %	8.3 %	9.3 %
Other restaurant operating costs	20.3 %	19.7 %	20.7 %	20.4 %
General and administrative	10.9 %	9.8 %	10.5 %	10.1 %
Depreciation and amortization	4.6 %	5.6 %	4.7 %	5.7 %
Pre-opening	— %	0.1 %	— %	0.1 %
Restaurant impairments, closure costs and asset disposals	4.4 %	10.8 %	3.3 %	6.0 %
Total costs and expenses	101.2 %	111.7 %	100.9 %	108.5 %
Loss from operations	(1.2)%	(11.7)%	(0.9)%	(8.5)%
Interest expense, net	1.9 %	2.2 %	2.0 %	2.2 %
Loss before income taxes	(3.1)%	(13.9)%	(2.9)%	(10.6)%
Provision for income taxes	— %	— %	— %	— %
Net loss	(3.1)%	(13.9)%	(2.9)%	(10.6)%

Second Quarter Ended June 30, 2026 Compared to Second Quarter Ended July 1, 2025

The table below presents our unaudited operating results for the second quarters of 2026 and 2025, and the related quarter-over-quarter changes.

	Fiscal Quarter Ended		Increase / (Decrease)	
	June 30, 2026	July 1, 2025	$	%
	(in thousands, unaudited)			
Revenue:				
Restaurant revenue	$ 124,801	$ 123,781	$ 1,020	0.8 %
Franchising royalties and fees, and other	2,236	2,652	(416)	(15.7)%
Total revenue	127,037	126,433	604	0.5 %
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	31,019	32,860	(1,841)	(5.6)%
Labor	36,737	39,279	(2,542)	(6.5)%
Occupancy	10,165	11,393	(1,228)	(10.8)%
Other restaurant operating costs	25,372	24,414	958	3.9 %
General and administrative	13,857	12,404	1,453	11.7 %
Depreciation and amortization	5,900	7,139	(1,239)	(17.4)%
Pre-opening	—	69	(69)	(100.0)%
Restaurant impairments, closure costs and asset disposals	5,527	13,653	(8,126)	(59.5)%
Total costs and expenses	128,577	141,211	(12,634)	(8.9)%
Loss from operations	(1,540)	(14,778)	13,238	89.6 %
Interest expense, net	2,391	2,753	(362)	(13.1)%
Loss before taxes	(3,931)	(17,531)	13,600	77.6 %
Provision for income taxes	20	21	(1)	(4.8)%
Net loss	$ (3,951)	$ (17,552)	$ 13,601	77.5 %
Company-owned:				
Average unit volume	$ 1,568	$ 1,353	$ 215	15.9 %
Comparable restaurant sales	11.4 %	1.5 %		

Revenue

Total revenue increased by $0.6 million, or 0.5%, to $127.0 million in the second quarter of 2026 compared to $126.4 million in the second quarter of 2025. During the second quarter of 2026, significant increases in comparable restaurant sales were partially offset by a decline in revenue related to 52 permanent company-owned closures and a decline in franchise revenue from 13 franchise restaurant closures over the last twelve months. Average unit volumes increased 15.9% to $1.57 million in the second quarter of 2026 compared to $1.35 million in the second quarter of 2025 primarily due to increases in same store sales and the closure of underperforming restaurants. System-wide comparable restaurant sales increased 10.3% in the second quarter of 2026 compared to the same period of 2025, comprised of an 11.4% increase at company-owned restaurants and a 5.5% increase at franchise-owned restaurants.

Cost of Sales

Cost of sales decreased by 5.6%, in the second quarter of 2026 compared to the same period of 2025. As a percentage of restaurant revenue, cost of sales decreased to 24.9% in the second quarter of 2026 compared to 26.5% in the second quarter of 2025, primarily due to a 0.6% benefit from menu price, a 0.5% benefit from menu mix shifts and a 0.4% benefit from reduced food waste, partially offset by a 0.2% impact from inflation.

Labor Costs

Labor costs decreased by $2.5 million, or 6.5%, in the second quarter of 2026 compared to the same period of 2025. As a percentage of restaurant revenue, labor costs decreased to 29.4% in the second quarter of 2026 compared to 31.7% in the second quarter of 2025, primarily due to a 1.7% benefit from sales volume leverage, a 0.6% benefit from menu price and a 0.3% benefit from labor efficiencies, partially offset by a 0.4% impact from wage inflation.

Occupancy Costs

Occupancy costs decreased by $1.2 million or 10.8% in the second quarter of 2026 compared to the second quarter of 2025, primarily due to permanent restaurant closures. As a percentage of restaurant revenue, occupancy costs decreased to 8.1% in the second quarter of 2026 compared to 9.2% in the second quarter of 2025, primarily due to sales leverage.

Other Restaurant Operating Costs

Other restaurant operating costs increased by $1.0 million, or 3.9%, in the second quarter of 2026 compared to the second quarter of 2025. As a percentage of restaurant revenue, other restaurant operating costs increased to 20.3% in the second quarter of 2026 compared to 19.7% in the second quarter of 2025, primarily due to a 0.9% impact from an increase in delivery fees from higher third-party delivery sales, partially offset by a 0.2% impact from decreased marketing spend.

General and Administrative Expense

General and administrative expense increased by $1.5 million, or 11.7%, in the second quarter of 2026 compared to the second quarter of 2025, primarily due to increases in incentive-based compensation, partially offset by decreases in wages and professional fees. As a percentage of revenue, general and administrative expense increased to 10.9% in the second quarter of 2026 from 9.8% in the second quarter of 2025.

Depreciation and Amortization

Depreciation and amortization decreased by $1.2 million, or 17.4%, in the second quarter of 2026 compared to the second quarter of 2025, primarily due to restaurant closures since the second quarter of 2025.

Restaurant Impairments, Closure Costs and Asset Disposals

Restaurant impairments, closure costs and asset disposals decreased $8.1 million to $5.5 million in the second quarter of 2026 compared to $13.7 million the second quarter of 2025. We recorded fixed asset impairment on eight restaurants and wrote down lease related assets on six restaurants during the second quarter of 2026. In the second quarter of 2025, we recorded fixed asset impairment on 15 restaurants and we wrote down lease related assets on ten restaurants.

Interest Expense, Net

Interest expense, net decreased $0.4 million in the second quarter of 2026 compared to the second quarter of 2025, primarily due to lower average interest rates in the second quarter of 2026 as compared to the second quarter of 2025, partially offset by slightly higher average debt balances in 2026.

Provision for Income Taxes

The effective tax rate for the second quarter of 2026 and for the second quarter of 2025 reflect the impact of the previously recorded valuation allowance. The primary components of the provision for income tax (for both quarters) are related to state tax and the change in our valuation allowance. For the remainder of fiscal 2026, we do not anticipate material income tax expense or benefit as a result of the valuation allowance recorded. We will maintain a valuation allowance against deferred tax assets until there is sufficient evidence to support a full or partial reversal. The reversal of a previously recorded valuation allowance will generally result in a benefit from income tax.

Two Quarters Ended June 30, 2026 Compared to Two Quarters Ended July 1, 2025

The table below presents our unaudited operating results for the first two quarters of 2026 and 2025, and the related period-over-period changes.

	Two Fiscal Quarters Ended		Increase / (Decrease)	
	June 30, 2026	July 1, 2025	$	%
	(in thousands, except percentages)			
Revenue:				
Restaurant revenue	$ 246,241	$ 245,107	$ 1,134	0.5 %
Franchising royalties and fees, and other	4,582	5,120	(538)	(10.5)%
Total revenue	250,823	250,227	596	0.2 %
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	61,912	65,153	(3,241)	(5.0)%
Labor	73,147	78,675	(5,528)	(7.0)%
Occupancy	20,519	22,887	(2,368)	(10.3)%
Other restaurant operating costs	51,084	50,070	1,014	2.0 %
General and administrative	26,371	25,214	1,157	4.6 %
Depreciation and amortization	11,881	14,229	(2,348)	(16.5)%
Pre-opening	—	220	(220)	(100.0)%
Restaurant impairments, closure costs and asset disposals	8,261	14,944	(6,683)	(44.7)%
Total costs and expenses	253,175	271,392	(18,217)	(6.7)%
Loss from operations	(2,352)	(21,165)	18,813	88.9 %
Interest expense, net	4,989	5,400	(411)	(7.6)%
Loss before taxes	(7,341)	(26,565)	19,224	72.4 %
Provision for income taxes	27	44	(17)	(38.6)%
Net loss	$ (7,368)	$ (26,609)	$ 19,241	72.3 %
Company-owned:				
Average unit volumes	$ 1,530	$ 1,333	$ 197	14.8 %
Comparable restaurant sales	10.4 %	3.0 %		

Revenue

Total revenue increased by $0.6 million, or 0.2%, in the first two quarters of 2026 to $250.8 million compared to $250.2 million in the same period of 2025. The increase was primarily due to increases in company comparable restaurant sales partially offset by a decline in revenue related to 52 permanent company-owned closures and a decline in franchise revenue from 13 franchise restaurant closures over the last twelve months. Comparable restaurant sales increased 9.7% system-wide in the first two quarters of 2026 compared to the first two quarters of 2025, comprised of a 10.4% increase at company-owned restaurants and a 6.7% increase at franchise-owned restaurants.

Cost of Sales

Cost of sales decreased by $3.2 million, or 5.0%, in the first two quarters of 2026 compared to the same period of 2025. As a percentage of restaurant revenue, cost of sales decreased to 25.1% in the first two quarters of 2026 compared to 26.6% in the first two quarters of 2025, primarily due to a 0.7% benefit from lower food waste and a 0.6% benefit from menu price.

Labor Costs

Labor costs decreased by $5.5 million, or 7.0%, in the first two quarters of 2026 compared to the same period of 2025. As a percentage of restaurant revenue, labor costs decreased to 29.7% in the first two quarters of 2026 compared to 32.1% in the first two quarters of 2025, primarily due to a 1.6% benefit from sales leverage, a 0.8% benefit from menu price and a 0.3% benefit from labor efficiencies, partially offset by 0.6% of wage inflation.

Occupancy Costs

Occupancy costs decreased by $2.4 million, or 10.3%, in the first two quarters of 2026 compared to the first two quarters of 2025, primarily due to permanent restaurant closures. As a percentage of restaurant revenue, occupancy costs decreased to 8.3% in the first two quarters of 2026 compared to 9.3% in the first two quarters of 2025, primarily due to sales leverage.

Other Restaurant Operating Costs

Other restaurant operating costs increased by $1.0 million, or 2.0%, in the first two quarters of 2026 compared to the first two quarters of 2025. As a percentage of restaurant revenue, other restaurant operating costs increased to 20.7% in the first two quarters of 2026 compared to 20.4% in the first two quarters of 2025, primarily due to 0.6% impact from higher delivery fees driven by higher delivery sales, partially offset by 0.4% of sales leverage.

General and Administrative Expense

General and administrative expense increased by $1.2 million, or 4.6%, in the first two quarters of 2026 compared to the first two quarters of 2025, primarily due to higher incentive-based compensation, partially offset by lower wages and professional fees. As a percentage of revenue, general and administrative expense increased to 10.5% in the first two quarters of 2026 from 10.1% in the first two quarters of 2025.

Depreciation and Amortization

Depreciation and amortization decreased by $2.3 million, or 16.5%, in the first two quarters of 2026 compared to the first two quarters of 2025, primarily due to restaurant closures.

Restaurant Impairments, Closure Costs and Asset Disposals

Restaurant impairments, closure costs and asset disposals decreased $6.7 million to $8.3 million in the first two quarters of 2026 compared to the first two quarters of 2025. We recorded fixed asset impairment on 11 restaurants and wrote down lease related assets on 16 restaurants in the first two quarters of 2026. We recorded fixed asset impairment on 15 restaurants and wrote down lease related assets on 11 restaurants in the first two quarters of 2025.

Interest Expense

Interest expense decreased by $0.4 million in the first two quarters of 2026 compared to the same period of 2025. The decrease was primarily due to lower average interest rates in the first two quarters of 2026 compared to the first two quarters of 2025, partially offset by higher average debt balances in 2026.

Provision for Income Taxes

The effective tax rate for the first two quarters of 2026 and for the first two quarters of 2025 reflect the impact of the previously recorded valuation allowance. The primary components of the provision for income tax (for all quarters) are related to state tax and the change in our valuation allowance. For the remainder of fiscal 2026, we do not anticipate material income tax expense or benefit as a result of the valuation allowance recorded. We will maintain a valuation allowance against deferred tax assets until there is sufficient evidence to support a full or partial reversal. The reversal of a previously recorded valuation allowance will generally result in a benefit from income tax. We estimate the annual effective tax rate for 2026 to be between (1.0%) and (0%).

Liquidity and Capital Resources

Summary of Cash Flows

We have historically used cash and our revolving credit facility under our A&R Credit Agreement to fund capital expenditures for new restaurant openings, reinvest in our existing restaurants, invest in infrastructure and information technology and maintain working capital. Our working capital position benefits from the fact that we generally collect cash from sales to customers the same day, or in the case of credit or debit card transactions, within several days of the related sale, and we typically have up to 30 days to pay our vendors.

We believe that we will have sufficient sources of cash to meet our liquidity needs and capital resource requirements for twelve months from the date of this report, through currently available cash and cash equivalents, availability under our revolving credit facility and cash flows from operations. We were in compliance with our covenants as of June 30, 2026, and expect to continue to be in compliance for twelve months from the date of this report. The Company will require new financing or other sources of capital to repay or an agreement with its current lenders to extend or refinance the amounts outstanding under the A&R Credit Agreement on or before maturity on July 27, 2027. The Company continues to review its options with respect to such debt obligation in connection with its review of strategic alternatives; however, there is no assurance that the Company will obtain such financing, other sources of capital, an extension or refinancing on or before the maturity date.

Cash flows from operating, investing and financing activities are shown in the following table (in thousands):

	Two Fiscal Quarters Ended	
	June 30, 2026	July 1, 2025
Net cash provided by operating activities	$ 9,321	$ 3,181
Net cash used in investing activities	(3,586)	(6,318)
Net cash (used in) provided by financing activities	(5,701)	4,252
Net increase in cash and cash equivalents	$ 34	$ 1,115

Operating Activities

Net cash provided by operating activities was $9.3 million in the first two quarters of 2026 compared to net cash provided by operating activities of $3.2 million in the first two quarters of 2025. The increase in operating cash flow resulted primarily from a decrease in net loss as adjusted for non cash items including depreciation and impairments, as well as changes in working capital related to the timing of accounts payable, payroll and accrued liabilities.

Investing Activities

Net cash used in investing activities decreased $2.7 million to $3.6 million in the first two quarters of 2026 from $6.3 million in the first two quarters of 2025. This decrease was primarily due to the absence of capital expenditures for new restaurant development in 2026 and lower spending on certain technology projects.

Financing Activities

Net cash used in financing activities was $5.7 million in the first two quarters of 2026, compared to net cash provided by financing of $4.3 million in the first two quarters of 2025. The change from the first two quarters of 2025 was primarily due to payments on our revolving credit facility in 2026 versus borrowings on our revolving credit facility during 2025.

Capital Resources

Material Cash Requirements. Our short-term obligations consist primarily of certain lease and other contractual commitments related to our operations, normal recurring operating expenses, working capital needs, new store development, capital improvements and maintenance of our restaurants, regular interest payments on our debt obligations and certain non-recurring expenditures.

Our long-term obligations consist primarily of certain lease and other contractual commitments related to our operations and payment of our outstanding debt obligations, including our debt under our A&R Credit Agreement, which matures on July 27, 2027. We are obligated under non-cancelable leases for our restaurants, administrative offices and equipment. In addition, when we have a target for new store development this will require capital for such year, which is expected to be funded by currently available cash and cash equivalents, cash flows from operations and our revolving credit facility. Our capital expenditure requirements are primarily dependent upon the pace of our real estate development program and any resulting new restaurant openings, costs for maintenance and remodeling of our existing restaurants as well as information technology expenses and other general corporate capital expenditures. We currently do not plan to open any company-owned restaurants in 2026.

We estimate capital expenditures will be approximately $9.0 million to $10.0 million for fiscal year 2026, including $5.0 million to $6.0 million for the remainder of the year, primarily for the reinvestment in existing restaurants and investments in technology. We expect such capital expenditures to be funded by currently available cash and cash equivalents, cash flows from operations and if necessary, undrawn capacity under our revolving credit line.

Current Resources. Our operations have not historically required significant working capital and, like many restaurant companies, we operate with negative working capital. Restaurant sales are primarily paid for in cash or by credit or debit card, and restaurant operations do not require significant inventories or receivables. In addition, we receive trade credit for the purchase of food, beverages and supplies, therefore reducing the need for incremental working capital to support growth.

Liquidity. As of June 30, 2026 and December 30, 2025, we had a cash balance of $1.3 million. The amount available for future borrowings under our A&R Credit Agreement (defined below) was $16.6 million as of June 30, 2026. We believe that our current cash and cash equivalents, the expected cash flows from company-owned restaurant operations, the expected franchise fees and royalties and available borrowings under the revolving credit facility under our A&R Credit Agreement will be sufficient to fund our cash requirements for working capital needs and capital improvements and maintenance of existing restaurants for twelve months from the date of this report. The Company will require new financing or other sources of capital to repay or an agreement with its current lenders to extend or refinance the amounts outstanding under the A&R Credit Agreement on or before maturity on July 27, 2027. The Company continues to review its options with respect to such debt obligation in connection with its review of strategic alternatives; however, there is no assurance that the Company will obtain such financing, other sources of capital, an extension or refinancing on or before the maturity date.

Credit Facility

On July 27, 2022, we amended and restated our Credit Agreement by entering into the Amended and Restated Credit Agreement as further amended, restated, extended, supplemented, modified and otherwise in effect from time to time, the (“A&R Credit Agreement”), with each other Loan Party (as defined in the A&R Credit Agreement) party thereto, each lender from time to time party thereto, and U.S. Bank National Association, as Administrative Agent, L/C Issuer and Swing Line Lender (each as defined in the A&R Credit Agreement). The A&R Credit Agreement matures on July 27, 2027 and is secured by a pledge of stock of substantially all of the Company’s subsidiaries and a lien on substantially all of the personal property assets of the Company and its subsidiaries.

Among other things, the A&R Credit Agreement: (i) increased the credit facility from $100.0 million to $125.0 million; (ii) eliminated the term loan and principal amortization components of the credit facility; (iii) removed the Company’s capital expenditure covenant; (iv) enhanced flexibility for certain covenants and restrictions; and (v) lowered the spread of the Company’s cost of borrowing and transitioned from the London Interbank Offered Rate (“LIBOR”) to the Secured Overnight Financing Rate (“SOFR”) plus a margin of 1.50% to 2.50% per annum, based upon the consolidated total lease-adjusted leverage ratio. The A&R Credit Agreement was subsequently amended on December 21, 2023 and on October 29, 2024, the Company entered into that certain Second Amendment to Amended and Restated Credit Agreement (the “Second Amendment”). Among the modifications, the Second Amendment: (i) increased the maximum applicable rate ranges (A) with respect to SOFR loans, from 1.75% - 3.00% to 1.75% - 3.75% per annum and (B) with respect to base rate loans, from 0.75% - 2.00% to 0.75% - 2.75% per annum, in each case as determined by the Consolidated Total Lease Adjusted Leverage Ratio (as defined in the A&R Credit Agreement), (ii) conditioned the use of the general restricted payment basket on satisfaction of a Consolidated Total Lease Adjusted Leverage Ratio (as defined in the A&R Credit Agreement) of less than or equal to 4.00 to 1.00 and a Consolidated Fixed Charge Coverage Ratio (as defined in the A&R Credit Agreement) of greater than or equal to 1.25 to 1.00, (iii) restricted entry into new lease agreements so long as the Consolidated Total Lease Adjusted Leverage Ratio (as defined in the A&R Credit Agreement) in Section 7.11(a) of the A&R Credit Agreement is greater than or equal to 4.50 to 1.00, (iv) increased the Consolidated Total Lease Adjusted Leverage Ratio (as defined in the A&R Credit Agreement) in Section 7.11(a) of the A&R Credit Agreement to be no greater than (1) 5.00 to 1.00 for the fiscal quarters ending March 31, 2026 and June 30, 2026, (2) 4.75 to 1.00 for the fiscal quarters ending September 29, 2026 and December 29, 2026 and (3) 4.50 to 1.00 for the fiscal quarter ended March 30, 2027 and thereafter and (v) amended the Consolidated Fixed Charge Coverage Ratio (as defined in the A&R Credit Agreement) in Section 7.11(b) of the A&R Credit Agreement to be no less than (1) 1.15 to 1.00 for the fiscal quarters ending December 30, 2025 and March 31, 2026 and (2) 1.25 to 1.00 for the fiscal quarter ending June 30, 2026 and thereafter.

As of June 30, 2026, we had $105.4 million of indebtedness under the credit facility (excluding $0.9 million of unamortized debt issuance costs) and $3.0 million of letters of credit outstanding under our A&R Credit Agreement.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or obligations as of June 30, 2026.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with GAAP. Preparing 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 30, 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 30, 2025.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risk from changes in interest rates on outstanding debt. Our exposure to interest rate fluctuations is limited to our outstanding bank debt, which bears interest at variable rates. As of June 30, 2026, we had $105.4 million of outstanding borrowings under our A&R Credit Agreement, with an average interest rate during the first two quarters of 2026 of 7.9%, compared to 8.6% during the first two quarters of 2025. An increase or decrease of 1.0% in the effective interest rate applied on these loans would have resulted in a pre-tax interest expense fluctuation of approximately $1.1 million on an annualized basis.

Commodity Price Risk

We purchase certain products that are affected by commodity prices and are, therefore, subject to price volatility caused by weather, market conditions, trade tariffs and other factors that are not considered predictable or within our control. Although these products are subject to changes in commodity prices, certain purchasing contracts or pricing arrangements contain risk management techniques designed to minimize price volatility. We use these types of purchasing techniques to control costs as an alternative to directly managing financial instruments to hedge commodity prices. In many cases, we believe we may be able to address material commodity cost increases by adjusting our menu pricing, but multiple price increases over a short period of time may negatively affect customer behavior, as we observed in 2023. We have evaluated and will continue to evaluate the impact of import laws and tariffs (including any refunds) on our operations as some of our food items are imported from India, Mexico and other countries. As of June 30, 2026, there was no material impact on our business, financial condition, results of operations or cash flows. However, tariffs continue to change and we expect tariffs may continue to impact our operations in certain areas, such as food and beverage costs, construction and equipment costs and other restaurant operating costs, into 2026. We will continue to utilize fixed price contracts for certain key items to mitigate risk. However, increases in commodity prices, without adjustments to our menu prices, have and could continue to increase restaurant operating costs as a percentage of restaurant revenue.

Inflation

The primary inflationary factors affecting our operations are food costs, labor costs, energy costs and materials and labor used in the construction of new restaurants. There is also uncertainty around tariffs and the potential impacts on our food costs. Additionally, many of our leases require us to pay taxes, maintenance, repairs, insurance and utilities, all of which are generally subject to inflationary increases. We anticipate inflation may continue to affect our results in the near future.

Item 4. Controls and Procedures

Our management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2026, pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2026 to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

We are currently not a party to any material legal proceedings. From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors

A description of the risk factors associated with our business is contained in the “Risk Factors” section of our Annual Report on Form 10-K for our fiscal year ended December 30, 2025. There have been no material changes to our Risk Factors as previously reported in our Annual Report on Form 10-K for our fiscal year ended December 30, 2025.

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

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Director and Executive Officer Trading

During the quarter ended June 30, 2026, no director or officer adopted or terminated any Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K).

Item 6. Exhibit Index

Exhibit Number	Description of Exhibit
10.1*	Form of Restricted Stock Unit Agreement (beginning 2026) under the 2023 Stock Incentive Plan
10.2*	Form of Performance Restricted Stock Unit Agreement (beginning 2026) under the 2023 Stock Incentive Plan
10.3*	Form of Retention Bonus Agreement
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104.0	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Indicates management contract or compensatory plan or arrangement.

SIGNATURES

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

NOODLES & COMPANY

By: /s/ MIKE HYNES

Mike Hynes
Chief Financial Officer (principal financial officer and duly authorized signatory for the registrant)

Date July 24, 2026

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this "Agreement") is made as of [●] (the "Grant Date") by and between Noodles & Company, a Delaware corporation (the "Company"), and _______________ (the "Participant").

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2023 Stock Incentive Plan (the "Plan"), a copy of which is attached as an exhibit to the Company's Form 10-K for the most recently completed fiscal year as filed with the U.S. Securities and Exchange Commission.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant's contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant restricted stock units with respect to _______________ shares of the Class A Common Stock of the Company, par value $0.01 per share ("Shares"), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

"Agreement" has the meaning set forth in the Preamble.

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

"Cause" has the meaning in the Participant's employment or severance protection agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any nonsolicitation covenant between the Participant and the Company. The determination of "Cause" shall be in the reasonable discretion of the Administrator.

"Company" has the meaning set forth in the Preamble.

"Confidential Information" has the meaning set forth in Section 23(b).

"Disability" has the meaning ascribed to such term in the Plan.

"Employer" means the Company and/or any of its subsidiaries with which the Participant is employed.

"Grant Date" has the meaning set forth in the Preamble.

"Participant" has the meaning set forth in the Preamble.

"Person" means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

"Plan" has the meaning set forth in the Recitals.

"Qualifying Termination" means (i) if the Participant is party to an employment agreement with a "Good Reason" provision, termination of the Participant's employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant's termination of employment by the Company without Cause.

"RSUs" has the meaning set forth in Section 2.

"Shares" has the meaning set forth in the Recitals.

"Termination Date" means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

"Third Party Information" has the meaning set forth in Section 23(b).

"Vesting Period" has the meaning set forth in Section 3(a).

"Withholding Obligation" means the amount determined in the Administrator's sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any RSUs.

2. Grant of RSUs. The Company grants to the Participant restricted stock units (the "RSUs") with respect to _______________ Shares.

3. Vesting.

(a) The RSUs shall vest [●] (each such [●] period, a "Vesting Period") so long as the Participant remains continuously employed by the Employer.

(b) Notwithstanding Section 3(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant's Termination Date (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant's termination of employment was due to a Qualifying Termination or due to the Participant's death or Disability, a pro rata portion of the next vesting installment (based on time worked relative to the twelve (12) months in that Vesting Period) shall also vest.

(c) Notwithstanding Sections 3(a) and 3(b), if the Participant experiences a termination of employment due to a Qualifying Termination within twelve (12) months following a Change in Control, the portion of the RSUs that has not previously expired pursuant to this Agreement shall vest upon such event.

(d) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting of all or any portion of the RSUs.

4. Settlement.

(a) Unless deferred by the Participant to the extent permitted by the Board, the RSUs shall be settled promptly following their vesting pursuant to Section 3 by the Company delivering to the Participant one Share for each RSU that has vested. Unless deferred by the Participant, in no event shall such settlement occur later than March 15 of the year following the year in which the RSUs vest.

(b) Subject to Sections 3(b) and 3(c), the unvested RSUs shall immediately expire on the Termination Date.

5. Nontransferability of the RSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the RSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant's RSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 5.

6. Adjustments.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the RSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. Restrictions on Resales of Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued as a result of the settlement of the RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other grantees and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers. Notwithstanding the foregoing and for the avoidance of doubt, nothing herein shall restrict the ability of the Participant to satisfy the Withholding Obligations through any method permissible under Section 17 of the Plan.

8. No Interest in Shares Subject to RSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the

Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the RSUs.

9. Plan Controls. The RSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the RSUs without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

10. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

11. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

12. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

13. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by electronic transmission (if promptly confirmed by either registered or certified mail (return receipt requested, postage prepaid) or overnight delivery via nationally recognized courier), or as otherwise provided below, to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Email: Legal@noodles.com
Attention: Vice President-Legal

If to the Participant, to the address in the Employer's payroll records.

All such notices, requests and other communications will be deemed to have been given (i) when delivered by hand, if delivered personally to the address as provided in this Section 13; (ii) on the date sent by electronic mail or other mutually agreed electronic transmission method (in the manner provided above), if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours or on a day that is not a Business Day; (iii) on the third Business Day after being sent by registered or certified mail (return receipt requested, postage prepaid) and (iv) on the next Business Day after being deposited with a nationally recognized overnight courier for next Business Day delivery (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 13). Any party from time to time may change its address, email or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 13, designate another address or Person for receipt of notices hereunder.

14. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

15. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

16. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in

any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

17. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

20. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

21. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the RSUs and the Shares via Company web site or other electronic delivery (including email).

22. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

23. Participant Covenants. The following covenants are binding upon the Participant in addition to any other similar or additional covenants set forth in any employment or other agreement entered into by the Participant with the Company:

(a) Non-Solicitation. While employed by the Company or a subsidiary and for six (6) months thereafter, other than in the course of performing his or her duties, the Participant shall not, directly or indirectly through another Person, induce or attempt to induce any employee of the Company or any of its subsidiaries (other than restaurant-level employees who are not managers) to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any of its subsidiaries and any such employee.

(b) Confidentiality. The Participant acknowledges that the confidential business information generated by the Company and its subsidiaries, whether such information is written, oral or graphic, including, but not limited to, financial plans and records, marketing plans, business strategies and relationships with third parties, present and proposed products, present and proposed patent applications, trade secrets, information regarding customers and suppliers, strategic planning and systems and contractual terms obtained by the Participant while employed by the Company and its subsidiaries concerning the business or affairs of the Company or any subsidiary of the Company (collectively, the "Confidential Information") is the property of the Company or such subsidiary. The Participant agrees that he or she shall not disclose to any Person or use for the Participant's own purposes any Confidential Information or any confidential or proprietary information of other Persons in the possession of the Company and its subsidiaries ("Third Party Information"),without the prior written consent of the Board, unless and to the extent that (i) the Confidential Information or Third Party Information becomes generally known to and available for use by the public, other than as a result of the Participant's acts or omissions or (ii) the disclosure of such Confidential Information is required by law, in which case the Participant shall give notice to and the opportunity to the Company to comment on the form of the disclosure and only the portion of Confidential Information that is required to be disclosed by law shall be disclosed. The Participant shall deliver to the Company on the date of his or her termination of employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer files, disks and tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to Third Party Information, Confidential Information, or the business of the Company or any of its subsidiaries which he or she may then possess or have under his or her control. Nothing in this Section shall prohibit or restrict the Participant or his or her attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to Participant’s employment, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Section prohibits or restricts the Participant from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(c) Specific Performance. The Participant recognizes and agrees that a violation by him or her of his or her obligations under this Section 23 may cause irreparable harm to the Company that would be difficult to quantify and that money damages may be inadequate. As such, the Participant agrees that the Company shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. However, the foregoing shall not prevent the Participant from contesting the Company's request for the issuance of any such injunction on the grounds that no violation or threatened violation of this Section 23 has occurred and that the Company has not suffered irreparable harm. If a court of competent jurisdiction determines that the Participant has violated the obligations of any covenant for a particular duration, then the Participant agrees that such covenant will be extended by that duration.

(d) Scope and Duration of Restrictions. The Participant expressly agrees that the character, duration and geographical scope of the restrictions imposed under this Section 23 are reasonable in light of the circumstances as they exist at the date upon which this Agreement has been executed. However, should a determination nonetheless be made by a court of competent jurisdiction at a later date that the character, duration or geographical scope of any of the covenants contained herein is unreasonable in light of the circumstances as they then exist, then it is the intention of both the Participant and the Company that such covenant shall be construed by the court in such a manner as to impose only those restrictions on the conduct of the Participant which are reasonable in light of the circumstances as they then exist and necessary to assure the Company of the intended benefit of such covenant.

24. Clawback Policy. The RSUs and any Shares issued in settlement thereof are subject to the Company's clawback policy as in effect from time to time, to the extent applicable thereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date.

<u>THE COMPANY</u>:

NOODLES & COMPANY

By: ______________

Name: ______________

Title: ______________

<u>PARTICIPANT</u>:

____

Name:

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

This PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT (this "Agreement") is made as of [●] (the "Grant Date") by and between Noodles & Company, a Delaware corporation (the "Company"), and _______________ (the "Participant").

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2023 Stock Incentive Plan (the "Plan"), a copy of which is attached as an exhibit to the Company's Form 10-K for the most recently completed fiscal year as filed with the U.S. Securities and Exchange Commission.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant's contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant performance restricted stock units with respect to a target number of ________ shares (the "Target Number of Shares") of Class A Common Stock of the Company, par value $0.01 per share ("Shares"), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

"Agreement" has the meaning set forth in the Preamble.

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

"Cause" has the meaning in the Participant's employment or severance protection agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any nonsolicitation covenant between the Participant and the Company. The determination of "Cause" shall be in the reasonable discretion of the Administrator.

"Change in Control Price" means the price per Share on a fully-diluted basis offered in conjunction with any transaction resulting in a Change in Control as determined in good faith by the Administrator as constituted before the Change in Control, or in the case of a Change in Control that does not result in a payment for Shares, the average Fair Market Value of a Share on the 30 trading days immediately preceding the date on which the Change in Control occurs.

"Company" has the meaning set forth in the Preamble.

"Confidential Information" has the meaning set forth in Section 26(b).

"Disability" has the meaning ascribed to such term in the Plan.

"Employer" means the Company and/or any of its subsidiaries with which the Participant is employed.

"Grant Date" has the meaning set forth in the Preamble.

"Participant" has the meaning set forth in the Preamble.

"Performance Period" for the PSUs means the period beginning on the Grant Date and ending on the third anniversary thereof.

"Person" means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

"Plan" has the meaning set forth in the Recitals.

"Pro Rata Portion" means a fraction, (i) the numerator of which is the number of days from the Grant Date through the Termination Date, and (ii) the denominator if which is 1,095.

"PSUs" has the meaning set forth in Section 2.

"Qualifying Termination" means (i) if the Participant is party to an employment agreement with a “Good Reason” provision, termination of the Participant’s employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant’s termination of employment by the Company without Cause.

"Shares" has the meaning set forth in the Recitals.

"Third Party Information" has the meaning set forth in Section 26(b).

"Termination Date" means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

"Withholding Obligation" means the amount determined in the Administrator's sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any PSUs.

2. Grant of PSUs. The Company grants to the Participant performance restricted stock units (the "PSUs") with respect to the Target Number of Shares, subject to adjustment as provided herein and in the Plan.

3. Earned PSUs. The PSUs shall be earned as specified in Exhibit 1 (the “Earned PSUs”) and the earned PSUs shall be eligible to vest pursuant to Sections 4 and 5.

4. Vesting.

(a) The Earned PSUs shall vest on [●] (the “Vesting Date”) so long as the Participant remains continuously employed by the Employer through the Vesting Date.

(b) Notwithstanding Section 4(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant's Termination Date (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant's termination of employment was due to a Qualifying Termination or due to the Participant's death or Disability prior to the Vesting Date, the Pro Rata Portion of the Earned PSUs shall vest on the Vesting Date.

5. Change in Control.

(a) Notwithstanding Section 4, in the event a Change in Control occurs before the end of the Performance Period, unless otherwise determined by the Administrator in its discretion and subject to Section 5(b), the Earned PSUs shall be determined pursuant to Exhibit 1, and such Earned PSUs shall be converted into time-vesting restricted stock units or such other rights as determined by the Administrator (collectively, "RSUs"). Such RSUs shall vest on the Vesting Date, subject to the Participant remaining continuously employed; provided, however, that if the Participant experiences a termination of employment due to a Qualifying Termination or due to the Participant's death or Disability prior to the Vesting Date, the RSUs shall vest in full upon such termination.

(b) Notwithstanding Section 5(a), if the Earned PSUs are not converted into RSUs in connection with the Change in Control, the number of Earned PSUs shall be determined by the Administrator (taking into account the principles in Section 5(a) for conversion to RSUs), the date of the Change in Control shall be the Vesting Date, and the Participant will receive with respect to each Earned PSU either (i) the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Shares for each Share held on the effective date of the Change in Control, (ii) common stock of the successor to the Company with a value equal to the Change in Control Price, or (iii) cash equal to the Change in Control Price, as determined by the Administrator in its discretion.

6. Settlement.

(a) The Earned PSUs shall be settled promptly following the certification of the applicable results by the Committee following the Vesting Date by the Company delivering to the Participant one Share for each PSU that has been earned and vests. In no event shall such settlement occur later than March 15 of the year following the year in which the Earned PSUs vest; provided that if Section 5 applies, the Earned PSUs shall be settled as specified in Section 5 no later than 10 days following the consummation of the Change in Control.

(b) All PSUs that are not earned or that do not vest or remain eligible to vest shall immediately be forfeited on the Termination Date.

7. Dividends. Any cash dividends paid with respect to Shares before settlement of the Shares underlying PSUs shall not be paid currently, but shall be converted into additional PSUs pursuant to this Section 7, to be settled pursuant to Section 6 at the same time as the underlying PSUs and with respect to the number of Shares earned with respect to such PSUs that vest (*e.g.*, if 110% of the Target Number of Shares are earned and vest, then the Dividend Units issued with respect to such earned and vested Shares shall also be earned and vest). Any PSUs resulting from such conversion (the "Dividend Units") will be considered PSUs for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth herein (including, without limitation, vesting) that apply to the underlying PSUs that generated the Dividend Units. As of each date that the Company would otherwise pay the declared dividend on the Shares underlying the PSUs (the "Dividend Payment Date") in the absence of the reinvestment requirements of this Section, the number of Dividend Units will be determined by dividing the amount of dividends otherwise attributable to the PSUs but not paid on the Dividend Payment Date by the Fair Market Value of the Shares on the Dividend Payment Date.

8. No Transferability of the PSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the PSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant's PSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 8.

9. Adjustments. In the event that any special dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the PSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

10. Restrictions on Resales of Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued as a result of the settlement of the PSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other grantees and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers. Notwithstanding the foregoing and for the avoidance of doubt, nothing herein shall restrict the ability of the Participant to satisfy the Withholding Obligations through any method permissible under Section 17 of the Plan.

11. No Interest in Shares Subject to PSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the PSUs.

12. Clawback Policy. The PSUs and any Shares issued in settlement thereof are subject to the Company's clawback policy as in effect from time to time.

13. Plan Controls. The PSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the PSUs without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

14. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

15. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

16. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

17. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by electronic transmission (if promptly confirmed by either registered or certified mail (return receipt requested, postage prepaid) or overnight delivery via nationally recognized courier), or as otherwise provided below, to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Email: Legal@noodles.com
Attention: Vice President-Legal

If to the Participant, to the address in the Employer's payroll records.

All such notices, requests and other communications will be deemed to have been given (i) when delivered by hand, if delivered personally to the address as provided in this Section 17; (ii) on the date sent by electronic mail or other mutually agreed electronic transmission method (in the manner provided above), if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours or on a day that is not a Business Day; (iii) on the third Business Day after being sent by registered or certified mail (return receipt requested, postage prepaid); and (iv) on the next Business Day after being deposited with a nationally recognized overnight courier for next Business Day delivery (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 17. Any party from time to time may change its address, email or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 17, designate another address or Person for receipt of notices hereunder.

18. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

19. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

20. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

21. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words "include," "includes" and

"including" when used herein shall be deemed in each case to be followed by the words "without limitation."

22. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

23. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

24. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the PSUs and the Shares via Company web site or other electronic delivery (including email).

25. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

26. Participant Covenants. The following covenants are binding upon the Participant in addition to any other similar or additional covenants set forth in any employment or other agreement entered into by the Participant with the Company:

(a) Non-Solicitation. While employed by the Company or a subsidiary and for six (6) months thereafter, other than in the course of performing his or her duties, the Participant shall not, directly or indirectly through another Person, induce or attempt to induce any employee of the Company or any of its subsidiaries (other than restaurant-level employees who are not managers) to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any of its subsidiaries and any such employee.

(b) Confidentiality. The Participant acknowledges that the confidential business information generated by the Company and its subsidiaries, whether such information is written, oral or graphic, including, but not limited to, financial plans and records, marketing plans, business strategies and relationships with third parties, present and proposed products, present and proposed patent applications, trade secrets, information regarding customers and suppliers, strategic planning and systems and contractual terms obtained by the Participant while employed by the Company and its subsidiaries concerning the business or affairs of the Company or any subsidiary of the Company (collectively, the "Confidential Information") is the property of the Company or such subsidiary. The Participant agrees that he or she shall not disclose to any Person or use for the Participant's own purposes any Confidential Information or any confidential or proprietary information of other Persons in the possession of the Company and its subsidiaries ("Third Party Information"),without the prior written consent of the Board, unless and to the extent that (i) the Confidential Information or Third Party Information becomes generally known to and available for use by the public, other than as a result of the Participant's acts or omissions or (ii) the disclosure of such Confidential Information is required by law, in which case the Participant shall give notice to and the opportunity to the Company to comment on the form of the disclosure and only the portion of Confidential Information that is required to be disclosed by law shall be disclosed. The Participant shall deliver to the Company on the date of his or her termination of employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer files, disks and tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to Third Party Information, Confidential Information, or the business of the Company or any of its subsidiaries which he or she may then possess or have under his or her control. Nothing in this Section shall prohibit or restrict the Participant or his or her attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to Participant's employment, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Section prohibits or restricts the Participant from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(c) Specific Performance. The Participant recognizes and agrees that a violation by him or her of his or her obligations under this Section 26 may cause irreparable harm to the Company that would be difficult to quantify and that money damages may be inadequate. As such, the Participant agrees that the Company shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. However, the foregoing shall not prevent the Participant from contesting the Company's request for the issuance of any such injunction on the grounds that no violation or threatened violation of this Section 26 has occurred and that the Company has not suffered irreparable harm. If a court of competent jurisdiction determines that the Participant has violated the obligations of any covenant for a particular duration, then the Participant agrees that such covenant will be extended by that duration.

(d) Scope and Duration of Restrictions. The Participant expressly agrees that the character, duration and geographical scope of the restrictions imposed under this Section 26 are reasonable in light of the circumstances as they exist at the date upon which this Agreement has been executed. However, should a determination nonetheless be made by a court of competent jurisdiction at a later date that the character, duration or geographical scope of any of the covenants contained herein is unreasonable in light of the circumstances as they then exist, then it is the intention of both the Participant and the Company that such covenant shall be construed by the court in such a manner as to impose only those restrictions on the conduct of the Participant which are reasonable in light of the circumstances as they then exist and necessary to assure the Company of the intended benefit of such covenant.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date.

<u>THE COMPANY</u>:

NOODLES & COMPANY

By:_______________

Name:_____________

Title:_____________

<u>PARTICIPANT</u>:

____
Name:

Exhibit 1

The PSUs shall be earned and eligible to vest as follows based on performance during the Performance Period:

[Performance Metric Determined by the Committee]	**Percentage of Target Number of Shares that Become Earned PSUs**
[●]	0%
[●] ("Threshold Amount")	50%
[●] ("Target Amount")	100%
[●] ("Maximum Amount") or more	150%

If actual **[Performance Metric Determined by the Committee]** for the Performance Period is between Threshold Amount and Target Amount, or between Target Amount and Maximum Amount, the number of Earned PSUs will be determined by linear interpolation.

In the event of a Change in Control, for purposes of Section 5(a), the Earned PSUs will be determined as follows:

[●]

Noodles & Company
520 Zang St., Suite D
Broomfield, Colorado 80021

[________], 2025

Confidential

[__]
[__]
[__]

Re: Retention Bonus

Dear [__]:

Noodles & Company (the "**Company**") is pleased to advise you that you are eligible to receive a retention bonus in the amount of $[_____] (the "**Retention Bonus**") in recognition of your contributions to the Company and ongoing efforts towards the Company's potential completion of a strategic transaction. The Retention Bonus is to be paid in the event of a successful sale of the Company or going private transaction (defined as a "Change in Control" as set forth in Exhibit A to this letter (this "**Letter**")) and on the other terms and conditions outlined below.

We ask that you review the Letter and return a signed copy acknowledging and accepting these terms and conditions in order to confirm your eligibility to receive the Retention Bonus. I look forward to our continued efforts together [to strengthen our Company and transform its future].

The Company agrees that in the event a Change in Control (as defined in Exhibit A) occurs on or before December 31, 2026, subject to satisfaction of the conditions and compliance with the terms set forth below:

- Retention Bonus: In the event of a Change of Control, upon the earliest to occur of: (i) 90 days following the date of the closing of the Change in Control (the "**Closing Date**"), (ii) termination of your employment by the Company without Cause (as defined in Exhibit A) within 90 days following the Closing Date, or (iii) termination of your employment by the Company without Cause within 30 days prior to the Closing Date, you shall be entitled to receive the Retention Bonus, less applicable taxes and withholding.

- Payment Conditions. Your right to receive the Retention Bonus is subject to the satisfaction of the following conditions, and shall be forfeited in its entirety and this Letter shall terminate if any such conditions are not satisfied:

(a) your continued employment with the Company through the 90th day following the Closing Date, unless your employment is terminated by the Company (or its successor) without Cause within 30 days prior to or 90 days after the Closing Date (the "**Change in Control Protection Period**");

(b) your continued compliance with the terms and conditions of any agreement(s) between you and the Company through the applicable payment date for your Retention Bonus (including, without limitation, any employment, confidentiality, restrictive covenant, or other agreement);

(c) your reasonable cooperation in connection with negotiating, conducting due diligence with respect to and consummating any proposed Change in Control, including, without limitation, your participation and assistance as reasonably requested by the President and Chief Executive Officer of the Company through the Closing Date;

(d) in the event of your termination without Cause during the Change in Control Protection Period, your execution and delivery to the Company of a general release of claims against the Company, its officers, directors, equity holders and each of their respective affiliates, in form and substance acceptable to the Company that is not subsequently revoked during any applicable revocation period required by law; and

(e) the Closing Date must occur on or before December 31, 2026.

- Payment Date. Provided the Retention Bonus has been earned, and the payment conditions above have been satisfied, the Retention Bonus shall be paid on the 90th day following the Closing Date in accordance with the customary payroll procedures of the Company (or its successor), or as soon thereafter as is administratively practical. Notwithstanding the foregoing, the Retention Bonus shall be paid by no later than March 15th of the year immediately following the year in which the Closing Date occurs.

- Tax Matters. Your right to receive the Retention Bonus is subject to the terms set forth in Exhibit B relating the application of Section 409A, Section 280G and Section 4999 of the Internal Revenue Code of 1986, as amended (the "**Code**"), which can result in the imposition of additional tax obligations on you if the payment of the Retention Bonus is not made in accordance with these provisions.

- Miscellaneous. The payment of any Retention Bonus shall not supersede any other rights to severance or other payment upon a termination without Cause or a Change in Control set forth in any agreement(s) between the Company and you. Nothing in this Letter shall confer upon you any right to continued employment with the Company or to interfere in any way with the right of the Company or any of its successors to terminate your employment at any time or for any or no reason. This Letter and the rights and obligations hereunder shall be governed by and construed and interpreted in accordance with the laws of Colorado without giving effect to the principles of conflicts of laws thereof. Your rights and obligations under this Letter may not be assigned without the prior written consent of the Company. This Letter may be executed in counterparts, each of which will be deemed an original, but all of which when taken together will constitute one and the same agreement. Facsimiles or other electronic copies of signatures will be deemed to be originals.

Very truly yours,	ACKNOWLEDGED AND AGREED, this ____ day of _________, 2025
NOODLES & COMPANY	
By:__	By:____________________________________
Name: Joseph Christina	Name:
Title: President and Chief Executive Officer	

Exhibit A

Definitions

For purposes of this Letter, these terms have the following meaning:

"**Change in Control**" means the occurrence of any of the following events:

(i) during any 12-month period, the members of the Board (the "**Incumbent Directors**") cease for any reason other than due to death or disability to constitute at least a majority of the members of the Board, provided that any director whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the members of the Board who are at the time Incumbent Directors shall be considered an Incumbent Director, other than any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(ii) the acquisition or ownership by any individual, entity or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934 (the "**Exchange Act**"), other than the Company or any of its affiliates or subsidiaries, or any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates or subsidiaries, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors (excluding for this purpose any ownership or additional acquisition of the Company's Class A Common Stock by any person (or any affiliate thereof) that owns more than 10% of the Company's Class A Common Stock as of the Effective Date);

(iii) the merger, consolidation or other similar transaction of the Company, as a result of which the stockholders of the Company immediately prior to such merger, consolidation or other transaction, do not, immediately thereafter, beneficially own, directly or indirectly, more than 50% of the combined voting power of the voting securities entitled to vote generally in the election of directors of the merged, consolidated or other surviving company; or

(iv) the sale, transfer or other disposition of all or substantially all of the assets of the Company to one or more persons or entities that are not, immediately prior to such sale, transfer or other disposition, affiliates of the Company.

However, a "Change in Control" shall not be deemed to occur if the Company undergoes a bankruptcy, liquidation or reorganization under the United States Bankruptcy Code.

"**Cause**" shall mean

(i) the recipient breaches his or her employment agreement with the Company (if applicable) or any material Company policy or procedure that, if curable, is not cured by the recipient to the reasonable satisfaction of the Board within 10 days following the Company notifying the recipient of such breach;

(ii) the recipient commits a felony or any other crime involving dishonesty or moral turpitude;

(iii) the recipient engages in fraudulent, dishonest or illegal conduct in the performance of services for or on behalf of Company;

(iv) the recipient fails to follow lawful directions of the Board or the person to whom the recipient reports;

(v) a harassment allegation against the recipient that the Board reasonably determines to be credible;

(vi) any willful misconduct or gross negligence by the recipient with respect to his or her performance of duties for the Company;

(vii) the recipient materially violates any material Company policy (including with respect to discrimination, harassment, data security and retaliation); or

(viii) the recipient reports to or is present at work under the influence of alcohol or engages in the unlawful use or possession of drugs or illegal drugs (whether or not in the workplace).

Exhibit B

Tax Provisions

The following terms are part of this Letter:

(a) Section 409A. It is the Company's intent that the Retention Bonus shall not be considered "deferred compensation" subject to Section 409A of the Code, because, among other reasons, the Retention Bonus remains subject to a "substantial risk of forfeiture" within the meaning of Section 1.409A-1(d) of the Treasury Regulations until the earlier of (i) the 90th day following the Closing Date or (ii) the date during the Change of Control Protection Period on which the recipient's employment is terminated by the Company without Cause. Accordingly, the Retention Bonus should qualify as a short-term deferral within the meaning of Section 1.409A-1(b)(4) of the Treasury Regulations. This Letter shall be interpreted in whatever manner may be required to give effect to this provision. To the extent necessary to comply with Code Section 409A, a Change in Control shall be interpreted in accordance with Section 1.409A-3(i)(5) of the Treasury Regulations and the distribution of the Retention Bonus shall comply with Section 1.409A-3(i)(5)(iv)(A) of the Treasury Regulations.

(b) Section 280G.

(i) Notwithstanding any other provision of this Letter or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to the recipient or for the recipient's benefit pursuant to the terms of this Letter or otherwise ("**Covered Payments**") constitute excess parachute payments ("**Parachute Payments**") within the meaning of Section 280G of the Code and would, but for this Section (b), be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "**Excise Tax**"), then, prior to making the Covered Payments, a calculation shall be made comparing (A) the Net Benefit (as defined below) to the recipient of the Covered Payments after payment of the Excise Tax to (B) the Net Benefit to the Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (A) above is less than the amount under (B) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "**Reduced Amount**"). "**Net Benefit**" shall mean the present value of the Covered Payments, net of all federal, state, local, foreign income, employment and excise taxes (including the Excise Tax).

(ii) Any such reduction shall be made in accordance with Section 409A of the Code and shall be made by the Company in its sole discretion consistent with the requirements of Section 409A of the Code.

(iii) Any determination required under this Section (b), including whether any Covered Payments or other benefits are Parachute Payments, shall be made by the Company in its sole discretion. The recipient shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section (b). The Company's determination shall be final and binding on the recipient.

(iv) It is possible that, after the determinations and selections made pursuant to this Section (b), the recipient will receive Covered Payments that are in the aggregate more than the amount provided under this Section (b) ("**Overpayment**"). In the event of an assertion of a deficiency by the Internal Revenue Service ("**IRS**") against either the Company or the recipient, which the Company reasonably believes has a high probability of success, that an Overpayment has been made or it is established pursuant to a final determination of a court or an IRS proceeding that has been finally and conclusively resolved that an Overpayment has been made, then the recipient shall pay any such Overpayment to the Company, together with any interest request by the IRS.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Joseph Christina, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Noodles and Company;

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. I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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. I have disclosed, based on my 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: July 24, 2026

/s/ JOSEPH CHRISTINA

Joseph Christina
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Mike Hynes, certify that:

1. I have reviewed this annual report on Form 10-Q of Noodles and Company;

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 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.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2026

/s/ MIKE HYNES

Mike Hynes
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

I, Joseph Christina, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Noodles & Company on Form 10-Q for the fiscal quarter ended June 30, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects the financial condition and results of operations of Noodles & Company.

Date: July 24, 2026

By:	/s/ JOSEPH CHRISTINA
Name:	Joseph Christina
Title:	Chief Executive Officer

I, Mike Hynes, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Noodles & Company on Form 10-Q for the fiscal quarter ended June 30, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects the financial condition and results of operations of Noodles & Company.

Date: July 24, 2026

By:	/s/ MIKE HYNES
Name:	Mike Hynes
Title:	Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.