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

Name   Current and cash equivalents   S	December 29, 2015
Cash and cash equivalents         1,837         S           Accounts receivable         5,438           Inventories         6,972           Prepaid expenses and other assets         6,972           Income tax receivable         25,788           Property and equipment, et         137,333           Deferred tax assets, net            Goodwill         6,400           Intangibles, net         1,715           Other assets, net         2,025           Total long-term assets         183,673           Total assets         \$ 209,461           Experimental intermental	
Accounts receivable         5,438           Inventories         11,285           Prepaid expenses and other assets         256           Income tax receivable         256           Total current assets         25,788           Property and equipment, net         173,533           Deferred tax assets, net         —           Goodwill         6,400           Intangibles, net         1,715           Other assets, net         2,025           Total long-term assets         183,673           Total long-term assets         183,673           Total states         \$ 20,461           Exhabilities and Stockholders' Equity         \$ 10,601           Current liabilities         27,709           Accrued payroll and benefits         10,723           Accrued payroll and benefits         27,709           Total current liabilities         27,709           Total current liabilities, net         44,929           Deferred tax liabilities, net         435           Other long-term liabilities         4,570           Total liabilities         4,570           Total liabilities         3,364           Otherered ax liabilities, net         435           Other long-term liabilities and tontin	
Inventories	\$ 1,912
Prepaid expenses and other assets   6,972   1   1   1   1   1   1   1   1   1	4,990
Income tax receivable	10,494
Property and equipment, net	7,185
Property and equipment, net         173,533           Deferred tax assets, net         —           Goodwill         6,400           Intangibles, net         1,715           Other assets, net         2,025           Total long-term assets         183,673           Total assets         \$ 209,461         \$           Liabilities and Stockholders' Equity           Current liabilities:           Accounts payable         \$ 10,601         \$           Accrued payroll and benefits         10,723         \$           Accrued expenses and other current liabilities         27,709         \$           Total current liabilities         49,033         \$           Long-term debt         84,676         \$           Deferred tent         44,529         \$           Deferred tax liabilities, net         4,570         \$           Other long-term liabilities         4,570         \$           Total liabilities         4,570         \$           Preferred tax liabilities, net         4,570         \$           Commitments and contingencies         *         *           Stockholders' equity         —         *           Preferred stock—\$0,01 par value, authorized 180,000,000 sh	820
Deferred tax assets, net	25,401
Goodwill         6,400           Intangibles, net         1,715           Other assets, net         2,025           Total long-term assets         \$ 209,461           Stabilities and Stockholders' Equity           Urrent liabilities           Accounts payable         \$ 10,601           Accrued payroll and benefits         10,723           Accrued expenses and other current liabilities         27,709           Total current liabilities,         49,033           Long-term debt         84,676           Deferred tax liabilities, net         435           Other long-term liabilities         4570           Total liabilities         183,643           Commitments and contingencies         183,643           Stockholders' equity:         Preferred stock—So.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding         —           Common stock—So.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued and 27,877,954 outstanding as of January 3, 2017 and December 29, 2015; as 30,300,925 issued and 27,877,954 outstanding as of January 3, 2017 and 30,138,672 issued and 27,871,840 outstanding as of December 29, 2015         303           Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 an	203,713
Intangibles, net	664
Other assets, net         2,025           Total long-term assets         183,673           Total assets         \$ 209,461         \$           Liabilities and Stockholders' Equity           Current liabilities:           Accounts payable         \$ 10,601         \$           Accrued payroll and benefitis         10,723           Accrued expenses and other current liabilities         27,709           Total current liabilities         49,033           Long-term debt         84,676           Deferred rent         44,929           Deferred tax liabilities, net         4,570           Other long-term liabilities         183,643           Committes and contingencies         183,643           Committes and contingencies         183,643           Committes and contingencies	6,400
Total long-term assets   183,673   180,4946   180,494	1,809
Total assets   \$ 209,461   \$   \$   \$   \$   \$   \$   \$   \$   \$	1,974
Liabilities and Stockholders' Equity           Current liabilities:         10,601         \$           Accounts payable         \$ 10,601         \$           Accrued payroll and benefits         10,723           Accrued expenses and other current liabilities         27,709           Total current liabilities         49,033           Long-term debt         84,676           Deferred rent         44,929           Deferred tax liabilities, net         435           Other long-term liabilities         4,570           Total liabilities         183,643           Commitments and contingencies         5           Stockholders' equity:         Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding         —           Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015, as of January 3, 2017 and January	214,560
Current liabilities:         \$ 10,601 \$           Accounts payable         \$ 10,723           Accrued payroll and benefits         10,723           Accrued expenses and other current liabilities         27,709           Total current liabilities         49,033           Long-term debt         84,676           Deferred rent         44,229           Deferred tax liabilities, net         435           Other long-term liabilities         4,570           Total liabilities         183,643           Commitments and contingencies         5           Stockholders' equity:         Preferred stock—80.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding         —           Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and December 29, 2015, 303,300,925 issued and 27,871,054 outstanding as of January 3, 2017 and December 29, 2015, account at a cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, account at a cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, account at a cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, account at a cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, account at a cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, account at a cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, account at a cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, accou	\$ 239,961
Accounts payable         \$ 10,601         \$           Accrued payroll and benefits         10,723           Accrued expenses and other current liabilities         27,709           Total current liabilities         49,033           Long-term debt         84,676           Deferred rent         44,292           Deferred tax liabilities, net         435           Other long-term liabilities         4,570           Total liabilities         183,643           Commitments and contingencies         5           Stockholders' equity:         -           Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding         -           Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,7877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015         303           Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015; no share issued and 27,714,801 outstanding as of December 29, 2015, respectively         (35,000)           Additional paid-in capital         124,272           Accumulated other comprehensive loss         (51)           (Accumulated deficit) retained earnings         (63,706)           Total stockholders' equity         25,818 </td <td></td>	
Accrued payroll and benefits         10,723           Accrued expenses and other current liabilities         27,709           Total current liabilities         49,033           Long-term debt         84,676           Deferred rent         44,929           Deferred tax liabilities, net         435           Other long-term liabilities         4,570           Total liabilities         183,643           Commitments and contingencies         5           Stockholders' equity:         -           Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding         -           Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015         303           Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively         (35,000)           Additional paid-in capital         124,272           Accumulated other comprehensive loss         (51)           (Accumulated deficit) retained earnings         (63,706)           Total stockholders' equity         25,818	
Accrued expenses and other current liabilities         27,709           Total current liabilities         49,033           Long-term debt         84,676           Deferred rent         44,929           Deferred tax liabilities, net         435           Other long-term liabilities         4,570           Total liabilities         183,643           Commitments and contingencies         8000           Stockholders' equity:         Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding         —           Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively         303           Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively         (35,000)           Additional paid-in capital         124,272           Accumulated other comprehensive loss         (51)           (Accumulated deficit) retained earnings         (63,706)           Total stockholders' equity         25,818	\$ 15,073
Total current liabilities 49,033  Long-term debt 84,676  Deferred rent 44,929  Deferred tax liabilities, net 435  Other long-term liabilities 44,570  Total liabilities 183,643  Commitments and contingencies  Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding —  Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017  and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015, respectively (35,000)  Additional paid-in capital 124,272  Accumulated other comprehensive loss (51) (Accumulated deficit) retained earnings (63,706)  Total stockholders' equity 25,818	5,417
Long-term debt 84,676 Deferred rent 44,929 Deferred tax liabilities, net 435 Other long-term liabilities 4,570 Total liabilities 183,643  Commitments and contingencies Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding —  Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015 respectively (35,000) Additional paid-in capital 124,272 Accumulated other comprehensive loss (51) (Accumulated deficit) retained earnings (63,706) Total stockholders' equity 25,818	12,424
Deferred tax liabilities, net 44,929 Deferred tax liabilities, net 435 Other long-term liabilities 4,570 Total liabilities 183,643  Commitments and contingencies Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding — Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015, respectively (35,000) Additional paid-in capital 124,272 Accumulated other comprehensive loss (51) (Accumulated deficit) retained earnings (63,706) Total stockholders' equity 25,818	32,914
Deferred rent 44,929 Deferred tax liabilities, net 435 Other long-term liabilities 4,570 Total liabilities 183,643  Commitments and contingencies Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding — Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015, respectively (35,000) Additional paid-in capital 124,272 Accumulated other comprehensive loss (51) (Accumulated deficit) retained earnings (63,706) Total stockholders' equity 25,818	67,732
Other long-term liabilities4,570Total liabilities183,643Commitments and contingencies	39,597
Total liabilities 183,643  Commitments and contingencies  Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding —  Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015  Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively (35,000) Additional paid-in capital 124,272  Accumulated other comprehensive loss (51) (Accumulated deficit) retained earnings (63,706)  Total stockholders' equity 25,818	_
Commitments and contingencies  Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding  Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015  Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively  Additional paid-in capital  Accumulated other comprehensive loss  (51) (Accumulated deficit) retained earnings  Total stockholders' equity  25,818	5,946
Commitments and contingencies  Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding  Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015  Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively  Additional paid-in capital  Accumulated other comprehensive loss  (51) (Accumulated deficit) retained earnings  Total stockholders' equity  25,818	146,189
Stockholders' equity:  Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding  Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015  Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively  Additional paid-in capital  124,272 Accumulated other comprehensive loss  (51) (Accumulated deficit) retained earnings  (63,706)  Total stockholders' equity	<u>·</u>
Preferred stock—\$0.01 par value, authorized 1,000,000 shares as of January 3, 2017 and December 29, 2015; no shares issued or outstanding  Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015  Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively  Additional paid-in capital  Accumulated other comprehensive loss  (Accumulated deficit) retained earnings  (63,706)  Total stockholders' equity	
Common stock—\$0.01 par value, authorized 180,000,000 shares as of January 3, 2017 and December 29, 2015; 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017 and 30,138,672 issued and 27,714,801 outstanding as of December 29, 2015  Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively  Additional paid-in capital  124,272  Accumulated other comprehensive loss  (Accumulated deficit) retained earnings  (63,706)  Total stockholders' equity	_
Treasury stock, at cost, 2,423,871 shares as of January 3, 2017 and December 29, 2015, respectively  Additional paid-in capital  Accumulated other comprehensive loss  (Accumulated deficit) retained earnings  (63,706)  Total stockholders' equity  (35,000)  (35,000)  (35,000)  (25,000)	301
Additional paid-in capital 124,272 Accumulated other comprehensive loss (51) (Accumulated deficit) retained earnings (63,706) Total stockholders' equity 25,818	(35,000)
Accumulated other comprehensive loss (Accumulated deficit) retained earnings (63,706)  Total stockholders' equity 25,818	120,634
(Accumulated deficit) retained earnings(63,706)Total stockholders' equity25,818	(134)
Total stockholders' equity 25,818	7,971
	93,772
Total liabilities and stockholders' equity \$ 209,461 \$	

See accompanying notes to consolidated financial statements.

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

		Fiscal Year Ended				
	Ja	nuary 3, 2017	ary 3, 2017 December 29, 2015		December 30, 2014	
Revenue:						
Restaurant revenue	\$	482,544	\$	450,482	\$	398,993
Franchising royalties and fees		4,930		4,969		4,748
Total revenue		487,474		455,451		403,741
Costs and expenses:				_		
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):						
Cost of sales		130,630		120,455		107,217
Labor		161,219		143,145		120,492
Occupancy		55,912		50,300		42,540
Other restaurant operating costs		73,011		63,549		52,580
General and administrative		55,654		37,244		31,394
Depreciation and amortization		28,134		27,802		24,787
Pre-opening Pre-opening		3,131		4,407		4,425
Restaurant impairments, closure costs and asset disposals		47,311		29,616		1,391
Total costs and expenses		555,002		476,518		384,826
(Loss) income from operations		(67,528)		(21,067)		18,915
Interest expense, net		2,916		1,432		365
(Loss) income before income taxes		(70,444)		(22,499)		18,550
Provision (benefit) for income taxes		1,233		(8,734)		7,122
Net (loss) income	\$	(71,677)	\$	(13,765)	\$	11,428
(Loss) earnings per Class A and Class B common stock, combined						
Basic	\$	(2.58)	\$	(0.48)	\$	0.38
Diluted	\$	(2.58)	\$	(0.48)	\$	0.37
Weighted average Class A and Class B common stock outstanding, combined						
Basic		27,808,708		28,938,901		29,717,304
Diluted		27,808,708		28,938,901		31,001,099

 $See\ accompanying\ notes\ to\ consolidated\ financial\ statements.$ 

## Noodles & Company Consolidated Statements of Cash Flows (in thousands)

	Janu	ary 3, 2017	December 29, 2015	December 30, 2014
Operating activities	-			
Net (loss) income	\$	(71,677)	\$ (13,765)	\$ 11,428
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization		28,134	27,802	24,787
Deferred income taxes, net		1,099	(8,878)	6,330
Excess tax benefit on stock-based compensation			_	(253)
Restaurant impairments, closure costs and asset disposals		45,536	28,927	1,391
Amortization of debt issuance costs		140	98	101
Stock-based compensation		2,319	1,469	1,330
Gain on insurance proceeds received for property damage		(494)	_	_
Changes in operating assets and liabilities:				
Accounts receivable		(443)	(437)	(75)
Inventories		(790)	(1,058)	(1,840)
Prepaid expenses and other assets		162	(1,025)	(1,768)
Accounts payable		(2,440)	2,794	2,661
Deferred rent		5,328	7,143	6,390
Income taxes		564	(193)	(24)
Accrued expenses and other liabilities		17,299	1,629	(1,431)
Net cash provided by operating activities		24,737	44,506	49,027
Investing activities				
Purchases of property and equipment		(43,335)	(50,093)	(56,352)
Acquisitions of franchise restaurants			(628)	(15,708)
Insurance proceeds received for property damage		578	_	_
Net cash used in investing activities		(42,757)	(50,721)	(72,060)
Financing activities				
Net (repayments) borrowings from swing line loan		(1,649)	1,846	(813)
Proceeds from borrowings on long-term debt		19,800	55,600	97,400
Payments on long-term debt		(1,000)	(16,700)	(75,400)
Debt issuance costs		(347)	(249)	_
Acquisition of treasury stock		_	(35,000)	(71)
Proceeds from exercise of stock options and employee stock purchase plan		1,100	952	2,676
Excess tax benefit on stock-based compensation		_	_	253
Other financing activities		_	(94)	(74)
Net cash provided by financing activities		17,904	6,355	23,971
Effect of exchange rate changes on cash	-	41	(134)	_
Net increase in cash and cash equivalents		(75)	6	938
Cash and cash equivalents				
Beginning of year		1,912	1,906	968
End of year	\$	1,837	\$ 1,912	\$ 1,906

See accompanying notes to consolidated financial statements.