# The Wendy's Company and Subsidiaries Condensed Consolidated Statements of Operations Three and Nine Month Periods Ended October 3, 2021 and September 27, 2020 (In Thousands Except Per Share Amounts) (Unaudited)

	Three Months Ended			Nine Months Ended				
		2021		2020		2021		2020
Revenues:								
Sales	\$	171,078	\$	191,946	\$	553,660	\$	522,961
Franchise royalty revenue		116,521		109,344		344,421		301,891
Franchise fees		22,234		7,476		53,825		19,754
Franchise rental income		62,446		58,721		182,190		173,434
Advertising funds revenue		97,976		84,755		289,699		241,468
		470,255		452,242		1,423,795		1,259,508
Costs and expenses:								
Cost of sales		146,436		159,545		457,440		450,170
Franchise support and other costs		10,509		5,960		27,080		19,427
Franchise rental expense		34,424		32,426		101,058		93,024
Advertising funds expense		108,529		92,048		310,642		253,353
General and administrative		62,840		47,322		178,576		147,553
Depreciation and amortization		30,940		32,966		93,243		98,726
System optimization gains, net		(1,437)		(23)		(32,719)		(2,333)
Reorganization and realignment costs		345		3,375		7,381		10,196
Impairment of long-lived assets		566		23		1,831		4,727
Other operating income, net		(3,092)		(2,748)		(10,800)		(6,076)
		390,060		370,894		1,133,732		1,068,767
Operating profit		80,195		81,348		290,063		190,741
Interest expense, net		(26,000)		(29,086)		(82,990)		(86,696)
Loss on early extinguishment of debt		_		_		(17,917)		_
Other income, net		171		181		461		1,113
Income before income taxes		54,366		52,443		189,617		105,158
Provision for income taxes		(13,195)		(12,690)		(41,356)		(26,060)
Net income	\$	41,171	\$	39,753	\$	148,261	\$	79,098
Net income per share:								
Basic	\$	.19	\$	.18	\$	.67	\$	.35
Diluted		.18		.17		.66		.35
Number of shares used to calculate basic income per share		222,373		223,907		222,527		223,521
Number of shares used to calculate diluted income per share		225,058		228,317		225,728		227,833

#### The Wendy's Company and Subsidiaries Condensed Consolidated Balance Sheets As of October 3, 2021 and January 3, 2021 (In Thousands Except Par Value) (Unaudited)

ASSETS           Current assetts:         \$ 571,502         \$ 306,886           Restricted cash         36,321         33,973           Accounts and notes receivable, net         100,265         10,983           Inventories         4,275         4,732           Prepaid expenses and other current assets         23,820         89,732           Advertising funds restricted assets         210,600         120,306           Total current assets         843,485         667,623           Properlies         873,250         915,889           Finance lease assets         210,660         206,183           Operating lease assets         783,986         821,480           Goodwill         781,099         751,049           Other intangible assets         120,9695         751,049           Investments         305,242         208,221           Net investment in sales-type and direct financing leases         305,242         208,221           Other assets         313,746         32,007           Total assets         32,750         \$ 28,962           Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of finance lease liabilities         15,915         145,346		October 3, 2021		January 3, 2021		
Cash and cash equivalents         \$ 571,502         \$ 30,302           Restricted cash         36,322         33,3978           Accounts and nothes receivable, net         100,265         109,830           Inventories         4,257         4,732           Prepaid expenses and other current assets         23,862         89,732           Advertising funds restricted assets         107,302         142,302           Total current assets         270,660         915,888           Properties         873,255         915,889           Finance lease assets         270,660         821,480           Goodwill         751,805         751,140           Oberating lease assets         270,896         124,400           Other intangible assets         120,9695         175,140           Investments         141,356         44,574           Net investment in sales-type and direct financing lease         305,242         208,224           Other assets         305,242         208,224           Total assets         305,242         208,226           Current portion of long-term debt         32,756         35,802           Current portion of finance lease liabilities         15,915         12,106           Current portion of finance lease	ASSETS					
Restricted cash         36,321         33,973           Accounts and notes receivable, net Inventories         100,265         10,9891           Inventories         4,257         4,732           Prepaid expenses and other current assets         23,820         89,732           Advertising funds restricted assets         1013,200         142,006           Total current assets         834,346         687,623           Properties         373,250         1915,888           Finance lease assets         210,060         206,153           Operating lease assets         120,996         124,980           Operating lease assets         1,209,695         1,249,800           Other intangible assets         1,209,695         1,224,900           Investmenti         41,356         44,574           Net investment in sales-type and direct financing leases         305,242         268,224           Other assets         137,468         120,057           Total assets         332,750         \$28,962           Current portion of long-term debt         \$32,759         \$28,962           Current portion of long-term debt         \$32,759         \$28,962           Current portion of operating lease liabilities         15,935         12,105	Current assets:					
Accounts and notes receivable, net Inventories         4,257         4,732           Prepaid expenses and other current assets         2,820         8,732           Advertising funds restricted assets         107,320         142,030           Total current assets         843,485         687,623           Propetities         873,250         915,888           Finance lease assets         210,660         206,153           Operating lease assets         210,660         206,153           Operating lease assets         1,209,895         1,224,980           Codwill         75,150         1,224,980           Oberting lease assets         1,209,895         1,224,980           Investments         1,209,895         1,224,980           Investments in sales-type and direct financing leases         305,242         262,221           Other assets         305,242         280,222           Other assets         317,468         25,000           Total assets         32,750         \$ 28,082           Other assets         32,750         \$ 28,082           Other assets         32,750         \$ 28,082           Other assets         45,144         45,346           Outrent portion of long-term debt         32,750 <td< td=""><td>Cash and cash equivalents</td><td>\$</td><td>571,502</td><td>\$</td><td>306,989</td></td<>	Cash and cash equivalents	\$	571,502	\$	306,989	
Inventories	Restricted cash		36,321		33,973	
Prepaid expenses and other current assets         23,820         89,732           Advertising funds restricted assets         107,320         142,306           Total current assets         843,485         687,628           Properties         873,250         915,889           Finance lease assets         210,600         206,153           Operating lease assets         783,900         751,000           Goodwill         751,000         1,224,960           Investments         41,336         44,574           Net investments         305,624         28,221           Other assets         137,468         120,057           Total assets         137,468         120,057           Total assets         137,468         120,057           Current portion of long-term debt         \$32,759         \$28,962           Current portion of flong-term debt         \$32,759         \$28,962           Current portion of fong-term debt         \$32,759         \$28,962           Current portion of fong-term debt         \$32,759         \$28,962           Current portion of fong-term debt         \$32,759         \$28,962           Current portion of finance lease liabilities         \$15,915         \$1,000           Accounts payable <th< td=""><td>Accounts and notes receivable, net</td><td></td><td>100,265</td><td></td><td>109,891</td></th<>	Accounts and notes receivable, net		100,265		109,891	
Advertising funds restricted assets         101,320         142,306           Total current assets         843,485         687,623           Finance lease assets         210,600         20,615           Operating lease assets         783,906         821,406           Cookwill         761,005         120,806           Other intangible assets         1,200,805         120,406           Investments         41,356         44,574           Net investment in sales-type and direct financing leases         305,242         268,221           Other assets         137,466         120,005           Total assets         5,566,97         5,504,006           Were must liabilities         32,756         5,204,006           Current portion of long-term debt         \$32,756         22,896           Current portion of operating lease liabilities         15,915         12,015           Accounts payable         45,541         45,541           Accounts payable         45,541         45,541           Accurrent portion of operating lease liabilities         120,006         310,63           Accurrent portion grund restricted liabilities         120,006         310,63           Accurrent portion grund restricted liabilities         380,481         365,52	Inventories		4,257		4,732	
Total current assets         843,485         687,628           Properties         873,250         915,889           Finance lease assets         210,660         206,153           Operating lease assets         783,986         281,480           Goodwill         751,805         751,049           Other intangible assets         1,209,695         2,249,600           Investment in sales-type and direct financing leases         305,242         268,221           Other assets         137,468         120,057           Total assets         137,468         120,057           Total portion of finance lease liabilities         32,276         \$ 28,962           Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of operating lease liabilities         15,915         12,105           Current portion of operating lease liabilities         15,915         12,105           Accounts payable         25,506         31,063           Accounts payable         45,541         45,346           Accounts payable         407,185         140,511           Account payable         25,007         140,511           Long-term finance lease liabilities         12,007         140,511           Long-term debt <td>Prepaid expenses and other current assets</td> <td></td> <td>23,820</td> <td></td> <td>89,732</td>	Prepaid expenses and other current assets		23,820		89,732	
Properties         873,250         915,888           Finance lease assets         201,0680         206,158           Operating lease assets         783,986         821,480           Goodwill         751,009         751,009           Other intangible assets         1,209,695         1,224,900           Investments         305,24         268,221           Net investment in sales-type and direct financing leases         317,468         210,005           Other assets         137,469         120,005           Total assets         137,469         120,005           Current labilities         832,750         \$ 5,040,000           Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of operating lease liabilities         15,915         12,105           Current portion of operating lease liabilities         45,541         45,546           Accorued expenses and other current liabilities         158,000         115,532           Accurrent portion of operating lease liabilities         127,673         140,511           Total current liabilities         127,673         140,511           Total current liabilities         23,607,63         2,218,163           Long-term debt         2,807,65         5,067,67	Advertising funds restricted assets		107,320		142,306	
Finance lease assets         210,608         206,138           Operating lease assets         83,896         821,480           Goodwill         751,805         751,049           Other intangible assets         1,209,695         1,224,960           Investments         41,356         44,574           Net investment in sales-type and direct financing leases         305,242         268,221           Other assets         137,468         120,057           Total assets         137,468         120,057           Total assets         5,569,47         5,040,000           LIABILITIES AND STOCKHOLDERS' EQUITY           Current labilities         32,750         \$ 28,962           Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of perating lease liabilities         15,915         12,105           Current portion of operating lease liabilities         15,816         45,541           Accorused expenses and other current liabilities         158,800         155,316           Accorused expenses and other current liabilities         127,673         140,511           Long-term debt         2,300,763         2,213,61           Long-term diffusion fusion for estimating lease liabilities         30,488	Total current assets		843,485		687,623	
Operating lease assets         783,986         821,480           Goodwill         751,805         751,005           Other intangible assets         1,209,695         1,224,960           Investments         41,355         44,574           Net investment in sales-type and direct financing leases         305,242         268,221           Other assets         137,468         120,057           Total assets         137,468         120,057           Total assets         332,750         \$5,040,000           Current liabilities           Current portion of long-term debt         32,750         \$28,962           Current portion of long-term debt         332,750         \$28,962           Current portion of operating lease liabilities         45,541         45,341           Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,362           Advertising funds restricted liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term dept liabilities         303,488         865,325           Long-term operating lease liabilities         304,041         4,042           Long-term finance lease lia	Properties		873,250		915,889	
Goodwill         751,805         751,049           Other intangible assets         1,209,695         1,224,860           Investments         41,356         44,574           Net investment in sales-type and direct financing leases         305,242         268,221           Other assets         137,468         120,057           Total assets         137,468         120,057           Courrent liabilities         137,468         120,057           Current liabilities         32,750         \$ 5,040,000           Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of poerating lease liabilities         15,915         12,105           Current portion of operating lease liabilities         15,915         12,105           Accounts payable         45,541         45,541         45,541           Accounts payable         26,506         31,063           Accounts payable         407,185         413,308           Accounts payable         26,506         415,314         45,341           Accounts payable         407,185         410,308         155,321           Accounts payable         2,50,606         41	Finance lease assets		210,660		206,153	
Other intrangible assets         1,209,695         1,224,960           Investments         41,356         44,574           Net investment in sales-type and direct financing leases         305,24         262,227           Other assets         137,466         120,057           Total assets         137,646         \$ 5,040,000           LIMITIES AND STOCKHOLDERS' EQUITY           Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of finance lease liabilities         15,915         12,105           Current portion of poerating lease liabilities         15,915         12,105           Accrued expenses and other current liabilities         156,800         31,062           Accrued expenses and other current liabilities         156,800         31,052           Accrued expenses and other current liabilities         127,073         140,511           Total current liabilities         2,300,763         2,211,030           Long-term finance lease liabilities         30,400         80,502           Long-term operating lease liabilities         30,400         80,903           Long-term florache laxes         30,400         80,903           Deferred income taxes         279,813         280,755           Deferred franchise f	Operating lease assets		783,986		821,480	
Nevestment in sales-type and direct financing leases   305,242   268,221   261,222	Goodwill		751,805		751,049	
Net investment in sales-type and direct financing leases         305,242         268,221           Other assets         137,468         120,057           Total assets         5,156,947         \$5,040,006           LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities:           Current portion of long-term debt         \$32,750         \$28,962           Current portion of perating lease liabilities         15,915         12,105           Current portion of operating lease liabilities         45,541         45,346           Accrued expenses and other current liabilities         158,800         155,321           Accrued expenses and other current liabilities         127,673         140,511           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term dinance lease liabilities         33,488         865,325           Deferred income taxes         29,086         88,932           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,683           Total liabilities         4,614,193         4,490,4	Other intangible assets		1,209,695		1,224,960	
Total assets	Investments		41,356		44,574	
Total assets         5,156,947         5,040,006           LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities:           Current portion of long-term debt         \$ 28,962           Current portion of operating lease liabilities         15,915         12,105           Current portion of operating lease liabilities         15,915         12,105           Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         17,673         140,511           Total current liabilities         40,7185         413,308           Long-term debt         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,0763         528,	Net investment in sales-type and direct financing leases		305,242		268,221	
LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities:         \$32,750         \$28,962           Current portion of long-term debt         \$32,750         \$28,962           Current portion of finance lease liabilities         15,915         12,105           Current portion of operating lease liabilities         45,541         45,346           Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         4,614,193         117,683           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         5         5           Stockholders' equity         47,042         47,042	Other assets		137,468		120,057	
Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of finance lease liabilities         15,915         12,105           Current portion of operating lease liabilities         45,541         45,346           Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,7942           Commitments and contingencies         2         47,042           Stockholders' equity:         2         47,042           Common stock, \$0.10 par value: 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,04	Total assets	\$	5,156,947	\$	5,040,006	
Current portion of long-term debt         \$ 32,750         \$ 28,962           Current portion of finance lease liabilities         15,915         12,105           Current portion of operating lease liabilities         45,541         45,346           Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         2,360,763         2,218,163           Long-term debt         2,360,763         2,218,163           Long-term operating lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         5         5           Stockholders' equity:         2         47,042           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552	LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of finance lease liabilities         15,915         12,105           Current portion of operating lease liabilities         45,541         45,346           Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         330,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,096         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity         2           Stockholders' equity         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 sh	Current liabilities:					
Current portion of operating lease liabilities         45,541         45,346           Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         330,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity           Stockholders' equity         2         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss <td>Current portion of long-term debt</td> <td>\$</td> <td>32,750</td> <td>\$</td> <td>28,962</td>	Current portion of long-term debt	\$	32,750	\$	28,962	
Accounts payable         26,506         31,063           Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity:           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss </td <td>Current portion of finance lease liabilities</td> <td></td> <td>15,915</td> <td></td> <td>12,105</td>	Current portion of finance lease liabilities		15,915		12,105	
Accrued expenses and other current liabilities         158,800         155,321           Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         3         4,644,193         4,490,410           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)	Current portion of operating lease liabilities		45,541		45,346	
Advertising funds restricted liabilities         127,673         140,511           Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity:           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Accounts payable		26,506		31,063	
Total current liabilities         407,185         413,308           Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity:         47,042         47,042           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Accrued expenses and other current liabilities		158,800		155,321	
Long-term debt         2,360,763         2,218,163           Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity:         2           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Advertising funds restricted liabilities		127,673		140,511	
Long-term finance lease liabilities         528,775         506,076           Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         5500,000         500,000           Stockholders' equity:         47,042         47,042           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Total current liabilities		407,185		413,308	
Long-term operating lease liabilities         830,488         865,325           Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies           Stockholders' equity:           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Long-term debt		2,360,763		2,218,163	
Deferred income taxes         279,813         280,755           Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity:           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Long-term finance lease liabilities		528,775		506,076	
Deferred franchise fees         90,086         89,094           Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity:         2           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Long-term operating lease liabilities		830,488		865,325	
Other liabilities         117,083         117,689           Total liabilities         4,614,193         4,490,410           Commitments and contingencies         Stockholders' equity:           Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively         47,042         47,042           Additional paid-in capital         2,911,552         2,899,276           Retained earnings         317,956         238,674           Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively         (2,685,063)         (2,585,755)           Accumulated other comprehensive loss         (48,733)         (49,641)           Total stockholders' equity         542,754         549,596	Deferred income taxes		279,813		280,755	
Total liabilities 4,614,193 4,490,410  Commitments and contingencies  Stockholders' equity:  Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively 47,042 47,042  Additional paid-in capital 2,911,552 2,899,276  Retained earnings 317,956 238,674  Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively (2,685,063) (2,585,755)  Accumulated other comprehensive loss (48,733) (49,641)  Total stockholders' equity 542,754 549,596	Deferred franchise fees		90,086		89,094	
Commitments and contingencies  Stockholders' equity:  Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively  Additional paid-in capital  Retained earnings  Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively  (2,685,063)  (2,585,755)  Accumulated other comprehensive loss  (48,733)  (49,641)  Total stockholders' equity	Other liabilities		117,083		117,689	
Stockholders' equity:         Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively       47,042       47,042         Additional paid-in capital       2,911,552       2,899,276         Retained earnings       317,956       238,674         Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively       (2,685,063)       (2,585,755)         Accumulated other comprehensive loss       (48,733)       (49,641)         Total stockholders' equity       542,754       549,596	Total liabilities		4,614,193		4,490,410	
Common stock, \$0.10 par value; 1,500,000 shares authorized; 470,424 shares issued; 221,301 and 224,268 shares outstanding, respectively       47,042       47,042         Additional paid-in capital       2,911,552       2,899,276         Retained earnings       317,956       238,674         Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively       (2,685,063)       (2,585,755)         Accumulated other comprehensive loss       (48,733)       (49,641)         Total stockholders' equity       542,754       549,596	Commitments and contingencies					
issued; 221,301 and 224,268 shares outstanding, respectively       47,042       47,042         Additional paid-in capital       2,911,552       2,899,276         Retained earnings       317,956       238,674         Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively       (2,685,063)       (2,585,755)         Accumulated other comprehensive loss       (48,733)       (49,641)         Total stockholders' equity       542,754       549,596	Stockholders' equity:					
Additional paid-in capital       2,911,552       2,899,276         Retained earnings       317,956       238,674         Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively       (2,685,063)       (2,585,755)         Accumulated other comprehensive loss       (48,733)       (49,641)         Total stockholders' equity       542,754       549,596			47,042		47,042	
Retained earnings       317,956       238,674         Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively       (2,685,063)       (2,585,755)         Accumulated other comprehensive loss       (48,733)       (49,641)         Total stockholders' equity       542,754       549,596			2,911,552			
Common stock held in treasury, at cost; 249,123 and 246,156 shares, respectively(2,685,063)(2,585,755)Accumulated other comprehensive loss(48,733)(49,641)Total stockholders' equity542,754549,596						
Accumulated other comprehensive loss (48,733) (49,641)  Total stockholders' equity 542,754 549,596	-					
Total stockholders' equity 542,754 549,596						
Total liabilities and stockholders' equity \$ 5,156,947 \$ 5,040,006	·					
	Total liabilities and stockholders' equity	\$	5,156,947	\$	5,040,006	

# The Wendy's Company and Subsidiaries Condensed Consolidated Statements of Cash Flows Nine Month Periods Ended October 3, 2021 and September 27, 2020 (In Thousands) (Unaudited)

Cash flows from operating activities:         2020           Net income         \$ 148,261         \$ 79,098           Adjustments to reconcile net income to net cash provided by operating activities:         93,243         98,726           Depreciation and amortization         93,243         98,726           Share-based compensation         16,735         15,112           Impairment of long-lived assets         1,831         4,727           Deferred income tax         26,25         5,878           Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (32,719)         (2,935)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,933)           Distributions received from joint ventures, net of equity in earnings         3,501         1,107           Long-term debt-related activities, net         28,635         3,000           Polispesitions received from joint ventures, net of equity in earnings         4,876         4,876           Acquisitions received from joint ventures, net of equity in earnings         4,876         4,876           Acquisitions received from joint ventures, net of equity in earnings         4,879         -           Acquisitions rece		Nine Months Ended			nded
Net income         \$ 148,261         \$ 79,098           Adjustments to reconcile net income to net cash provided by operating activities:         93,243         98,726           Depreciation and amortization         93,243         98,726           Share-based compensation         16,735         15,112           Impairment of long-lived assets         1,831         4,727           Deferred income tax         (25)         5,878           Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (34,220)         (29,539           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         (43,401)         (44,876)           Capital expenditures         (43,401)         (44,876)           Acquisitions         52,657         3,570           Proceeds from sale of investments         907         138 <th></th> <th></th> <th>2021</th> <th></th> <th>2020</th>			2021		2020
Adjustments to reconcile net income to net cash provided by operating activities:         93,243         98,726           Share-based compensation         16,735         15,112           Impairment of long-lived assets         16,735         15,112           Deferred income tax         (25)         5,878           Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (34,220)         (29,539)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         4,879         —           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Notes receivable, net         907         138           Notes receivable, net         907         138	Cash flows from operating activities:				
Depreciation and amortization         93,243         98,726           Share-based compensation         16,735         15,112           Impairment of long-lived assets         1,831         4,727           Deferred income tax         (25)         5,878           Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (34,220)         (29,539)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Capital expenditures         4,879         —           Acquisition         4,879         —           Proceeds from sale of investments         907         138           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from finan	Net income	\$	148,261	\$	79,098
Share-based compensation         16,735         15,112           Impairment of long-lived assets         1,831         4,727           Deferred income tax         (25)         5,878           Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (34,220)         (29,539)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Acquisitions         4,879         —           Proceeds from sale of investments         907         138           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (49,999)           Cash flows from financing activit	Adjustments to reconcile net income to net cash provided by operating activities:				
Impairment of long-lived assets         1,831         4,727           Deferred income tax         (25)         5,878           Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (34,220)         (29,539)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Dispositions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         40,999           Cash flows from financing activities:         11,100,000         153,315           Repayments of	Depreciation and amortization		93,243		98,726
Deferred income tax         (25)         5,878           Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (34,200)         (29,539)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities:         4,879         -           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         -           Dispositions         -         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         40.999           Cash flows from long-term debt         1,100,000         153,315           Repayments of long-term debt         1,100,000         153,315           Repayments of linanc	Share-based compensation		16,735		15,112
Non-cash rental expense, net         28,421         19,967           Change in operating lease liabilities         (34,220)         (29,539)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-felated activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities         4,879         —           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Proceeds from sale of investments         907         138           Notes receivable, net         907         138           Notes receivable, net         907         138           Proceeds from long-term debt         1,100,000         153,315           Repayments of long-term debt         (9,021)         (5,850)           Deferred financing activities         (9,021)         (5,850)           Deferred financing cost	Impairment of long-lived assets		1,831		4,727
Change in operating lease liabilities         (34,220)         (29,539)           Net receipt of deferred vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,443         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Acquisitions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities         11,00,000         153,315           Repayments of long-term debt         1,100,000         153,315           Repayments of finance lease liabilities         (90,21)         (5,850)           Deferred financing costs         (20,873)         (2,122)	Deferred income tax		(25)		5,878
Net receipt of defered vendor incentives         1,906         5,061           System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         26,636         3,009           Net cash provided by operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities         (43,401)         (44,876)           Acquisitions         4,879         —           Dispositions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         15,042         (40,999)           Cash flows from long-term debt         1,100,000         153,315         Repayments of long-term debt         9,021         (5,850)           Repayments of finance lease liabilities         (9,021)         (5,850)         (9,021) <td< td=""><td>Non-cash rental expense, net</td><td></td><td>28,421</td><td></td><td>19,967</td></td<>	Non-cash rental expense, net		28,421		19,967
System optimization gains, net         (32,719)         (2,333)           Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities:         (43,401)         (44,876)           Acquisitions         4,879         —           Acquisitions         4,879         —           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         11,100,000         153,315           Repayments of long-term debt         1,1100,000         153,315           Repayments of finance lease liabilities         (9,021)         5,850           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds	Change in operating lease liabilities		(34,220)		(29,539)
Distributions received from joint ventures, net of equity in earnings         3,561         1,187           Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities:         (43,401)         (44,876)           Acquisitions         4,879         —           Acquisitions         4,879         —           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,099)           Cash flows from financing activities:         11,00,000         153,315           Repayments of long-term debt         1,100,000         153,315           Repayments of long-term debt         (9,021)         5,850           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to	Net receipt of deferred vendor incentives		1,906		5,061
Long-term debt-related activities, net         23,043         4,866           Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities:         8           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Dispositions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Notes receivable on the sash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         11,00,000         153,315           Repayments of long-term debt         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Payments related to tax withholding for share-based compens	System optimization gains, net		(32,719)		(2,333)
Changes in operating assets and liabilities and other, net         26,636         3,009           Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities:	Distributions received from joint ventures, net of equity in earnings		3,561		1,187
Net cash provided by operating activities         276,673         205,759           Cash flows from investing activities:         (43,401)         (44,876)           Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Dispositions         52,657         3,570           Proceeds from sale of investments         —         160           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from linancing activities         8         11,000,000         153,315           Repayments of long-term debt         1,100,000         153,315         15,959           Repayments of long-term debt         (995,782)         (174,959)           Repayments of financie lease liabilities         (90,21)         (5,850)           Deferred financing costs         (90,21)         (5,850)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)	Long-term debt-related activities, net		23,043		4,866
Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Dispositions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         ***         ***         (40,999)           Cash flows from long-term debt         1,100,000         153,315         ***         Repayments of long-term debt         (9,55,782)         (174,959)         ***         ***         (174,959)         ***         *	Changes in operating assets and liabilities and other, net		26,636		3,009
Capital expenditures         (43,401)         (44,876)           Acquisitions         4,879         —           Dispositions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         Troceeds from long-term debt         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)           Net cash used in financing activities         (57,481)         (115,328)           Net cash provided by operations before effect of exchange rate changes on cash         234,234         49,432           Effect of exchange rate changes on cash         177	Net cash provided by operating activities		276,673		205,759
Acquisitions         4,879         —           Dispositions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         —         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)           Net cash used in financing activities         (57,481)         (115,328)           Net cash provided by operations before effect of exchange rate changes on cash         234,234         49,432           Effect of exchange rate changes on cash         177         (1,715)           Net increase in cash, cash equivalents and restricted cash         234,411 <td>Cash flows from investing activities:</td> <td></td> <td></td> <td></td> <td></td>	Cash flows from investing activities:				
Dispositions         52,657         3,570           Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         ***         ***           Proceeds from long-term debt         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)           Net cash used in financing activities         (57,481)         (115,328)           Net cash provided by operations before effect of exchange rate changes on cash         234,234         49,432           Effect of exchange rate changes on cash         177         (1,715)           Net increase in cash, cash equivalents and restricted cash         234,411	Capital expenditures		(43,401)		(44,876)
Proceeds from sale of investments         —         169           Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         Proceeds from long-term debt         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)           Net cash used in financing activities         (57,481)         (115,328)           Net cash provided by operations before effect of exchange rate changes on cash         234,234         49,432           Effect of exchange rate changes on cash         177         (1,715)           Net increase in cash, cash equivalents and restricted cash         234,411         47,717           Cash, cash equivalents and restricted cash at beginning of period         418,241	Acquisitions		4,879		_
Notes receivable, net         907         138           Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         ***           Proceeds from long-term debt         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)           Net cash used in financing activities         (57,481)         (115,328)           Net cash provided by operations before effect of exchange rate changes on cash         234,234         49,432           Effect of exchange rate changes on cash         177         (1,715)           Net increase in cash, cash equivalents and restricted cash         234,411         47,717           Cash, cash equivalents and restricted cash at beginning of period         418,241         358,707	Dispositions		52,657		3,570
Net cash provided by (used in) investing activities         15,042         (40,999)           Cash flows from financing activities:         5           Proceeds from long-term debt         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)           Net cash used in financing activities         (57,481)         (115,328)           Net cash provided by operations before effect of exchange rate changes on cash         234,234         49,432           Effect of exchange rate changes on cash         177         (1,715)           Net increase in cash, cash equivalents and restricted cash at beginning of period         418,241         358,707	Proceeds from sale of investments		_		169
Cash flows from financing activities:  Proceeds from long-term debt Repayments of long-term debt Repayments of finance lease liabilities Repayments of finance lease liabilities Repayments of finance lease liabilities Repurchases of common stock Repayments related to tax withholding for share-based compensation Repayments related to tax withholding for share-bas	Notes receivable, net		907		138
Proceeds from long-term debt         1,100,000         153,315           Repayments of long-term debt         (955,782)         (174,959)           Repayments of finance lease liabilities         (9,021)         (5,850)           Deferred financing costs         (20,873)         (2,122)           Repurchases of common stock         (125,656)         (46,667)           Dividends         (68,963)         (49,176)           Proceeds from stock option exercises         27,204         15,540           Payments related to tax withholding for share-based compensation         (4,390)         (5,409)           Net cash used in financing activities         (57,481)         (115,328)           Net cash provided by operations before effect of exchange rate changes on cash         234,234         49,432           Effect of exchange rate changes on cash         177         (1,715)           Net increase in cash, cash equivalents and restricted cash at beginning of period         418,241         358,707	Net cash provided by (used in) investing activities		15,042		(40,999)
Repayments of long-term debt(955,782)(174,959)Repayments of finance lease liabilities(9,021)(5,850)Deferred financing costs(20,873)(2,122)Repurchases of common stock(125,656)(46,667)Dividends(68,963)(49,176)Proceeds from stock option exercises27,20415,540Payments related to tax withholding for share-based compensation(4,390)(5,409)Net cash used in financing activities(57,481)(115,328)Net cash provided by operations before effect of exchange rate changes on cash234,23449,432Effect of exchange rate changes on cash177(1,715)Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Cash flows from financing activities:				
Repayments of finance lease liabilities(9,021)(5,850)Deferred financing costs(20,873)(2,122)Repurchases of common stock(125,656)(46,667)Dividends(68,963)(49,176)Proceeds from stock option exercises27,20415,540Payments related to tax withholding for share-based compensation(4,390)(5,409)Net cash used in financing activities(57,481)(115,328)Net cash provided by operations before effect of exchange rate changes on cash234,23449,432Effect of exchange rate changes on cash177(1,715)Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Proceeds from long-term debt		1,100,000		153,315
Deferred financing costs Repurchases of common stock (125,656) (46,667) Dividends (68,963) (49,176) Proceeds from stock option exercises 27,204 15,540 Payments related to tax withholding for share-based compensation (4,390) (5,409) Net cash used in financing activities (57,481) (115,328) Net cash provided by operations before effect of exchange rate changes on cash Effect of exchange rate changes on cash Net increase in cash, cash equivalents and restricted cash at beginning of period 418,241 358,707	Repayments of long-term debt		(955,782)		(174,959)
Repurchases of common stock(125,656)(46,667)Dividends(68,963)(49,176)Proceeds from stock option exercises27,20415,540Payments related to tax withholding for share-based compensation(4,390)(5,409)Net cash used in financing activities(57,481)(115,328)Net cash provided by operations before effect of exchange rate changes on cash234,23449,432Effect of exchange rate changes on cash177(1,715)Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Repayments of finance lease liabilities		(9,021)		(5,850)
Dividends(68,963)(49,176)Proceeds from stock option exercises27,20415,540Payments related to tax withholding for share-based compensation(4,390)(5,409)Net cash used in financing activities(57,481)(115,328)Net cash provided by operations before effect of exchange rate changes on cash234,23449,432Effect of exchange rate changes on cash177(1,715)Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Deferred financing costs		(20,873)		(2,122)
Proceeds from stock option exercises 27,204 15,540 Payments related to tax withholding for share-based compensation (4,390) (5,409) Net cash used in financing activities (57,481) (115,328) Net cash provided by operations before effect of exchange rate changes on cash 234,234 49,432 Effect of exchange rate changes on cash 177 (1,715) Net increase in cash, cash equivalents and restricted cash 234,411 47,717 Cash, cash equivalents and restricted cash at beginning of period 418,241 358,707	Repurchases of common stock		(125,656)		(46,667)
Payments related to tax withholding for share-based compensation (4,390) (5,409)  Net cash used in financing activities (57,481) (115,328)  Net cash provided by operations before effect of exchange rate changes on cash 234,234 49,432  Effect of exchange rate changes on cash 177 (1,715)  Net increase in cash, cash equivalents and restricted cash 234,411 47,717  Cash, cash equivalents and restricted cash at beginning of period 418,241 358,707	Dividends		(68,963)		(49,176)
Net cash used in financing activities(57,481)(115,328)Net cash provided by operations before effect of exchange rate changes on cash234,23449,432Effect of exchange rate changes on cash177(1,715)Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Proceeds from stock option exercises		27,204		15,540
Net cash provided by operations before effect of exchange rate changes on cash234,23449,432Effect of exchange rate changes on cash177(1,715)Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Payments related to tax withholding for share-based compensation		(4,390)		(5,409)
Effect of exchange rate changes on cash177(1,715)Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Net cash used in financing activities		(57,481)		(115,328)
Net increase in cash, cash equivalents and restricted cash234,41147,717Cash, cash equivalents and restricted cash at beginning of period418,241358,707	Net cash provided by operations before effect of exchange rate changes on cash		234,234		49,432
Cash, cash equivalents and restricted cash at beginning of period 418,241 358,707	Effect of exchange rate changes on cash		177		(1,715)
	Net increase in cash, cash equivalents and restricted cash		234,411		47,717
Cash, cash equivalents and restricted cash at end of period \$ 652,652 \$ 406,424	Cash, cash equivalents and restricted cash at beginning of period		418,241		358,707
	Cash, cash equivalents and restricted cash at end of period	\$	652,652	\$	406,424

### The Wendy's Company and Subsidiaries Reconciliations of Net Income to Adjusted EBITDA and Revenues to Adjusted Revenues Three and Nine Month Periods Ended October 3, 2021 and September 27, 2020 (In Thousands) (Unaudited)

	Three Months Ended			Nine Months Ended				
		2021		2020		2021		2020
Net income	\$	41,171	\$	39,753	\$	148,261	\$	79,098
Provision for income taxes		13,195		12,690		41,356		26,060
Income before income taxes		54,366		52,443		189,617		105,158
Other income, net		(171)		(181)		(461)		(1,113)
Loss on early extinguishment of debt		_		_		17,917		_
Interest expense, net		26,000		29,086		82,990		86,696
Operating profit		80,195		81,348		290,063		190,741
Plus (less):								
Advertising funds revenue		(97,976)		(84,755)		(289,699)		(241,468)
Advertising funds expense (a)		99,550		85,895		294,139		245,015
Depreciation and amortization		30,940		32,966		93,243		98,726
System optimization gains, net		(1,437)		(23)		(32,719)		(2,333)
Reorganization and realignment costs		345		3,375		7,381		10,196
Impairment of long-lived assets		566		23		1,831		4,727
Adjusted EBITDA	\$	112,183	\$	118,829	\$	364,239	\$	305,604
Revenues	\$	470,255	\$	452,242	\$	1,423,795	\$	1,259,508
Less:								
Advertising funds revenue		(97,976)		(84,755)		(289,699)		(241,468)
Adjusted revenues	\$	372,279	\$	367,487	\$	1,134,096	\$	1,018,040

<sup>(</sup>a) Excludes advertising funds expense of \$8,979 and \$16,503 for the three and nine months ended October 3, 2021, respectively, and \$6,153 and \$8,338 for the three and nine months ended September 27, 2020, respectively, related to the Company's funding of incremental advertising.

# The Wendy's Company and Subsidiaries Reconciliation of Net Income and Diluted Earnings Per Share to Adjusted Income and Adjusted Earnings Per Share Three and Nine Month Periods Ended October 3, 2021 and September 27, 2020 (In Thousands Except Per Share Amounts) (Unaudited)

	Three Months Ended			Nine Months Ended				
		2021		2020		2021		2020
Net income	\$	41,171	\$	39,753	\$	148,261	\$	79,098
Plus (less):								
Advertising funds revenue		(97,976)		(84,755)		(289,699)		(241,468)
Advertising funds expense (a)		99,550		85,895		294,139		245,015
System optimization gains, net		(1,437)		(23)		(32,719)		(2,333)
Reorganization and realignment costs		345		3,375		7,381		10,196
Impairment of long-lived assets		566		23		1,831		4,727
Loss on early extinguishment of debt						17,917		
Total adjustments		1,048		4,515		(1,150)		16,137
Income tax impact on adjustments (b)		291		(868)		1,811		(4,566)
Total adjustments, net of income taxes		1,339		3,647		661		11,571
Adjusted income	\$	42,510	\$	43,400	\$	148,922	\$	90,669
Diluted earnings per share	\$	.18	\$	.17	\$	.66	\$	.35
Total adjustments per share, net of income taxes		.01		.02				.05
Adjusted earnings per share	\$	.19	\$	.19	\$	.66	\$	.40

- (a) Excludes advertising funds expense of \$8,979 and \$16,503 for the three and nine months ended October 3, 2021, respectively, and \$6,153 and \$8,338 for the three and nine months ended September 27, 2020, respectively, related to the Company's funding of incremental advertising.
- (b) The provision for (benefit from) income taxes on "System optimization gains, net" was \$536 and \$6 for the three months ended October 3, 2021 and September 27, 2020, respectively, and \$8,802 and \$(728) for the nine months ended October 3, 2021 and September 27, 2020, respectively. The benefit from income taxes on all other adjustments (excluding the advertising funds adjustments) was calculated using an effective tax rate of 26.89% and 25.72% for the three months ended October 3, 2021 and September 27, 2020, respectively, and 25.77% and 25.72% for the nine months ended October 3, 2021 and September 27, 2020, respectively.

### The Wendy's Company and Subsidiaries Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow Nine Month Periods Ended October 3, 2021 and September 27, 2020 (In Thousands) (Unaudited)

	Nine Months Ended					
		2021		2020		
Net cash provided by operating activities	\$	276,673	\$	205,759		
Less:						
Capital expenditures		(43,401)		(44,876)		
Cash paid for taxes related to New York disposition		9,512		_		
Advertising funds impact (a)		30,876		(27,297)		
Free cash flow	\$	273,660	\$	133,586		

<sup>(</sup>a) Represents the net change in the restricted operating assets and liabilities of our advertising funds, which is included in "Changes in operating assets and liabilities and other, net," and the excess of advertising funds expense over advertising funds revenue, which is included in "Net income."