# Net leverage ratio as of Q3 2025 was 3.8x

DrivenBrands

**Reconciliation of LTM Q3 Fiscal 2025 Net Loss and Debt Agreement Adjusted EBITDA**

| **($ thousands)** | **Three months ended 28-Dec-24** | **Nine months ended 27-Sep-25** | **Twelve months ended 27-Sep-25** |
|---|---|---|---|
| Net (loss)/income | ($311,969) | $90,161 | ($221,808) |
| Income tax expense | (58,985) | (7,487) | (66,472) |
| Interest expense, net | 37,719 | 91,496 | 129,215 |
| Depreciation and amortization | 48,893 | 102,883 | 151,776 |
| **EBITDA** | **($284,342)** | **$277,053** | **($7,289)** |
| Acquisition related costs[a] | 866 | 784 | 1,650 |
| Non-core items and project costs, net[b] | 2,140 | 32,770 | 34,910 |
| Cloud computing amortization[c] | 4,834 | 15,191 | 20,025 |
| Share-based compensation expense[d] | 12,498 | 28,269 | 40,767 |
| Foreign currency transaction (gain) loss, net[e] | 14,472 | (17,406) | (2,934) |
| Asset sale leaseback loss, net, impairment, notes receivable loss, and closed store expenses[f] | 380,238 | 63,387 | 443,625 |
| Loss on debt extinguishment[g] | - | 4,549 | 4,549 |
| **Adjusted EBITDA[h]** | **$130,706** | **$404,597** | **$535,303** |
| Pro forma EBITDA adjustments[i] | | | (11,808) |
| Run rate adjustments related to store opening and closings[j] | | | 10,208 |
| Other adjustments permitted under Debt Agreement | | | 10,227 |
| **Debt Agreement Adjusted EBITDA** | | | **$543,930** |

| *($ thousands)* | **27-Sep-25** |
|---|---|
| Total Debt | $2,214,380 |
| Less: Cash and cash equivalents | 162,028 |
| **Net Debt** | **$2,052,352** |
| Debt Agreement Adjusted EBITDA | 543,930 |
| **Net Leverage Ratio** | **3.8x** |

# Net leverage ratio as of Q3 2025 was 3.8x

**Notes:**

a. Consists of acquisition costs as reflected within the consolidated statements of operations, including legal, consulting and other fees, and expenses incurred in connection with acquisitions completed during the applicable period, as well as inventory rationalization expenses incurred in connection with acquisitions. As acquisitions occur in the future, we expect to incur similar costs and, under U.S. GAAP, such costs relating to acquisitions are expensed as incurred and not capitalized.

b. Consists of discrete items and project costs, including third-party professional costs associated with strategic transformation initiatives as well as non-recurring payroll-related costs and non-ordinary course legal settlements.

c. Includes non-cash amortization expenses relating to cloud computing arrangements.

d. Represents non-cash share-based compensation expense.

e. Represents foreign currency transaction (gains) losses, net that primarily related to the remeasurement of our intercompany loans as well as gains and losses on cross currency swaps.

f. Consists of the following items (i) (gains) losses, net on sale leasebacks, disposal of assets, or sale of business; (ii) net losses (gains) on sale for assets held for sale; (iii) impairment of certain fixed assets and operating lease right-of-use assets related to closed and underperforming locations, lease exit costs and other costs associated with stores that were closed prior to the respective lease termination dates; and (iv) loss on fair value of the Seller Note.

g. Represents charges incurred related to the Company's repayment of the Term Loan in conjunction with the sale of the U.S. car wash business in the current year and charges incurred related to the Company's partial repayment of Senior Secured Notes in conjunction with the sale of its Canadian distribution business in the prior year.

h. Adjusted EBITDA is presented as-reported for all periods. As such, the results of U.S. car wash are included in Adjusted EBITDA for the three months ended December 28, 2024, while the nine months ended September 27, 2025 represent continuing operations. The results of U.S. car wash for the three months ended December 28, 2024 are included in Pro forma EBITDA adjustments to exclude those results from Debt Agreement Adjusted EBITDA.

i. Represents our estimate of our anticipated annual operating results, including, without limitation, our estimates of the contribution of businesses acquired or sold as if such acquisitions or sales had occurred on the first day of the twelve-month period ended September 27, 2025.

j. Represents our estimate of our anticipated annual operating results from new store openings and store closings annualized as if such store openings and store closings had occurred on the first day of the twelve-month period ended September 27, 2025.