UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 8-K

CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 09, 2022

THE CHEFS' WAREHOUSE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-35249 (Commission File Number) 20-3031526

(I.R.S. Employer Identification No.)

100 East Ridge Road Ridgefield, Connecticut 06877 (Address of principal executive offices)

Registrant's telephone number, including area code: (203) 894-1345

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

□ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	<u>Trading Symbol(s)</u>	Name of each exchange on which registered
Common Stock, par value \$0.01	CHEF	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company \Box

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02.

Results of Operations and Financial Condition.

In a press release dated February 9, 2022 (the "Press Release"), The Chefs' Warehouse, Inc. (the "Company") announced financial results for the Company's thirteen and fifty-two weeks ended December 24, 2021. The full text of the Press Release is furnished herewith as Exhibit 99.1 to this report.

The information contained in Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01.

Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>99.1</u>	Press Release of The Chefs' Warehouse, Inc. dated February 9, 2022.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

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

THE CHEFS' WAREHOUSE, INC.

/s/ James Leddy

By: James Leddy Chief Financial Officer Name: Title:

Date: February 9, 2022

The Chefs' Warehouse Reports Fourth Quarter 2021 Financial Results

Ridgefield, CT, February 9, 2022 - The Chefs' Warehouse, Inc. (NASDAQ: CHEF) (the "Company" or "Chefs"), a premier distributor of specialty food products in the United States and Canada, today reported financial results for its fourth quarter ended December 24, 2021.

Financial highlights for the fourth quarter of 2021:

- Net sales increased 98.2% to \$558.3 million for the fourth quarter of 2021 from \$281.7 million for the fourth quarter of 2020.
- GAAP net income was \$8.4 million, or \$0.22 per diluted share, for the fourth quarter of 2021 compared to net loss of \$37.1 million, or \$(1.02) per diluted share, in the fourth quarter of 2020.
- Adjusted EPS¹ was \$0.26 for the fourth quarter of 2021 compared to \$(0.52) for the fourth quarter of 2020.
- Adjusted EBITDA¹ was \$30.2 million for the fourth quarter of 2021 compared to negative adjusted EBITDA of \$(10.5) million for the fourth quarter of 2020.

"Revenue trends were strong in the fourth quarter as we saw continued growth in consumer confidence in dining out across our markets," said Chris Pappas, Chairman and Chief Executive Officer of the Company. "December sales and business activity grew steadily as holiday customer traffic drove sequential volume increases commensurate with pre-COVID periods, even with a reduction in larger corporate parties and events."

Fourth Quarter Fiscal 2021 Results

Net sales for the quarter ended December 24, 2021 increased 98.2% to \$558.3 million from \$281.7 million for the quarter ended December 25, 2020. Organic sales increased \$252.1 million, or 89.5% versus the prior year quarter. Sales growth of \$24.4 million, or 8.7%, resulted from acquisitions. Organic case count increased approximately 67.5% in the Company's specialty category with unique customers and placements increases at 35.0% and 55.5%, respectively, compared to the prior year quarter. Organic pounds sold in the Company's center-of-the-plate category increased approximately 49.3% compared to the prior year quarter. Estimated inflation was 12.5% in the Company's specialty categories and 29.2% in the center-of-the-plate categories compared to the prior year quarter.

Gross profit increased approximately 113.5% to \$125.7 million for the fourth quarter of 2021 from \$58.9 million for the fourth quarter of 2020. Gross profit margin increased approximately 161 basis points to 22.5% from 20.9%. Gross margins in the Company's specialty category increased 637 basis points and gross margins decreased 291 basis points in the Company's center-of-the-plate category compared to the prior year quarter.

Selling, general and administrative expenses increased by approximately 31.7% to \$109.2 million for the fourth quarter of 2021 from \$82.9 million for the fourth quarter of 2020. These increases were primarily volume-based increases to support our sales growth for the quarter ended December 24, 2021. As a percentage of net sales, operating expenses were 19.6% in the fourth quarter of 2020.

Other operating expense decreased by approximately \$23.6 million primarily due to a \$24.2 million impairment charge for Del Monte and Bassian trademarks in the prior year period.

Operating income for the fourth quarter of 2021 was \$15.8 million compared to operating loss of \$48.3 million for the fourth quarter of 2020. The increase in operating income was driven primarily by higher gross profit, partially offset by higher selling, general and administrative, as discussed above. As a

¹EBITDA, Adjusted EBITDA, adjusted net income (loss) and adjusted EPS are non-GAAP measures. Please see the schedules accompanying this earnings release for a reconciliation of EBITDA, Adjusted EBITDA, adjusted net income (loss) and adjusted EPS to these measures' most directly comparable GAAP measure.

percentage of net sales, operating income was 2.8% in the fourth quarter of 2021 as compared to operating loss of 17.1% in the fourth quarter of 2020.

Total interest expense decreased to \$4.2 million for the fourth quarter of 2021 compared to \$5.3 million for the fourth quarter of 2020. The decrease in interest expense is the result of lower effective interest rates charged on the Company's outstanding debt.

Net income for the fourth quarter of 2021 was \$8.4 million, or \$0.22 per diluted share, compared to net loss of \$37.1 million, or \$(1.02) per diluted share, for the fourth quarter of 2020.

Adjusted EBITDA¹ was \$30.2 million for the fourth quarter of 2021 compared to negative adjusted EBITDA of \$(10.5) million for the fourth quarter of 2020. For the fourth quarter of 2021, adjusted net income¹ was \$10.2 million, or \$0.26 per diluted share compared to adjusted net loss of \$19.0 million, or \$(0.52) per diluted share for the fourth quarter of 2020.

Full Year 2022 Guidance

Based on current trends in the business, the Company is providing the following financial guidance for fiscal year 2022:

- Net sales between \$2.1 billion and \$2.2 billion
- Gross profit between \$494 million and \$517 million; and
- Adjusted EBITDA between \$99 million and \$111 million.

Fourth Quarter 2021 Earnings Conference Call

The Company will host a conference call to discuss fourth quarter 2021 financial results today at 8:30 a.m. EDT. Hosting the call will be Chris Pappas, chairman and chief executive officer, and Jim Leddy, chief financial officer. The conference call will be webcast live from the Company's investor relations website at http://investors.chefswarehouse.com. An online archive of the webcast will be available on the Company's investor relations website.

Forward-Looking Statements

Statements in this press release regarding the Company's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties and are based on current expectations and management estimates; actual results may differ materially. The risks and uncertainties which could impact these statements include, but are not limited to the following: our sensitivity to general economic conditions, including disposable income levels and changes in consumer discretionary spending; our ability to expand our operations in our existing markets and to penetrate new markets through acquisitions; we may not achieve the benefits expected from our acquisitions, which could adversely impact our business and operating results; we may have difficulty managing and facilitating our future growth; conditions beyond our control could materially affect the cost and/or availability of our specialty food products or center-of-the-plate products and/or interrupt our distribution network; our distribution of center-of-the-plate products, like meat, poultry and seafood, involves exposure to price volatility experienced by those products; our business is a low-margin business and our profit margins may be sensitive to inflationary and deflationary pressures; because our foodservice distribution operations are concentrated in certain culinary markets, we are susceptible to economic and other developments, including adverse weather conditions, in these areas; fuel cost volatility may have a material adverse effect on our business, financial condition or results of operations; our ability to raise capital in the future may be limited; we may be unable to obtain debt or other financing, including financing necessary to execute on our acquisition strategy, on favorable terms or at all; interest charged on our outstanding debt

¹EBITDA, Adjusted EBITDA, adjusted net income (loss) and adjusted EPS are non-GAAP measures. Please see the schedules accompanying this earnings release for a reconciliation of EBITDA, Adjusted EBITDA, adjusted net income (loss) and adjusted EPS to these measures' most directly comparable GAAP measure.

may be adversely affected by changes in the method of determining London Interbank Offered Rate (LIBOR), or the replacement of LIBOR with an alternative rate; our business operations and future development could be significantly disrupted if we lose key members of our management team; and significant public health epidemics or pandemics, including COVID-19, may adversely affect our business, results of operations and financial condition. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. A more detailed description of these and other risk factors is contained in the Company's most recent annual report on Form 10-K filed with the SEC on February 23, 2021 and other reports filed by the Company with the SEC since that date. The Company is not undertaking to update any information until required by applicable laws. Any projections of future results of operations are based on a number of assumptions, many of which are outside the Company's control and should not be construed in any manner as a guarantee that such results will in fact occur. These projections are subject to change and could differ materially from final reported results. The Company may from time to time update these publicly announced projections, but it is not obligated to do so.

About The Chefs' Warehouse

The Chefs' Warehouse, Inc. (http://www.chefswarehouse.com) is a premier distributor of specialty food products in the United States and Canada focused on serving the specific needs of chefs who own and/or operate some of the nation's leading menudriven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. The Chefs' Warehouse, Inc. carries and distributes more than 50,000 products to more than 35,000 customer locations throughout the United States and Canada.

Contact: Investor Relations Jim Leddy, CFO, (718) 684-8415

THE CHEFS' WAREHOUSE, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited, in thousands except share amounts and per share data)

	Thirteen Weeks Ended					Fifty-Two Weeks Ended					
	Dec	ember 24, 2021	D	ecember 25, 2020	D	ecember 24, 2021	D	ecember 25, 2020			
Net sales	\$	558,251	\$	281,674	\$	1,745,757	\$	1,111,631			
Cost of sales		432,562		222,799		1,355,272		863,480			
Gross profit		125,689		58,875		390,485		248,151			
Selling, general and administrative expenses		109,218		82,914		379,252		336,394			
Other operating expenses, net		630		24,229		422		14,417			
Operating income (loss)		15,841		(48,268)		10,811		(102,660)			
Interest expense		4,225		5,344		17,587		20,946			
Income (loss) before income taxes		11,616		(53,612)		(6,776)		(123,606)			
Provision for income tax expense (benefit)		3,172		(16,555)		(1,853)		(40,703)			
Net income (loss)	\$	8,444	\$	(37,057)	\$	(4,923)	\$	(82,903)			
Net income (loss) per share:	¢	0.00	¢	(1.02)	đ	(0.12)	¢	(2.46)			
Basic	\$	0.23	•	(1.02)		(0.13)		(2.46)			
Diluted	\$	0.22	\$	(1.02)	\$	(0.13)	\$	(2.46)			
Weighted average common shares outstanding:											
Basic		36,879,240		36,281,698		36,744,304		33,716,157			
Diluted		41,795,193		36,281,698		36,744,304		33,716,157			

THE CHEFS' WAREHOUSE, INC. CONDENSED CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 24, 2021 AND DECEMBER 25, 2020 (in thousands)

	Decem	December 24, 2021		
	(un	audited)		
Cash and cash equivalents	\$	115,155	\$ 193,281	
Accounts receivable, net		172,540	96,383	
Inventories, net		144,491	82,519	
Prepaid expenses and other current assets		37,774	33,479	
Total current assets		469,960	405,662	
Equipment, leasehold improvements and software, net		133,622	115,448	
Operating lease right-of-use assets		130,701	115,224	
Goodwill		221,775	214,864	
Intangible assets, net		104,743	111,717	
Deferred taxes, net		9,380	7,535	
Other assets		3,614	3,875	
Total assets	\$	1,073,795	\$ 974,325	
Accounts payable	\$	118,284	\$ 57,515	
Accrued liabilities		35,390	27,924	
Short-term operating lease liabilities		15,882	17,167	
Accrued compensation		22,321	9,401	
Current portion of long-term debt		5,141	6,095	
Total current liabilities		197,018	118,102	
Long-term debt, net of current portion		394,160	398,084	
Operating lease liabilities		127,296	109,133	
Other liabilities		5,110	4,416	
Total liabilities		723,584	629,735	
Preferred stock		_	_	
Common stock		380	373	
Additional paid in capital		314,242	303,734	
Cumulative foreign currency translation adjustment		(2,022)	(2,051)	
Retained earnings		37,611	42,534	
Stockholders' equity		350,211	344,590	
Total liabilities and stockholders' equity	\$	1,073,795	\$ 974,325	
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THE CHEFS' WAREHOUSE, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 24, 2021 AND DECEMBER 25, 2020

(unaudited,	in thousands)	
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Adjustments to reconcile net loss to net cash (used in) provided by operating activities: 21,998 19,774 Deprectation of intragible assets 12,967 13,500 (Benefit) provision for allowance for doubful accounts (4,22) 21,377 Non-cash operating lease expense 1,402 688 Benefit for deferred income taxes (1,845) (18,415) Change in fair value of contingent earn-out liabilities 11,479 9,299 Stock compensation 11,479 9,299 Change in fair value of contingent earn-out liabilities 10,296) (11,477 Intragible asset impairment 597 24,200 Loss on asset disposal 193 115 Changes in assets and liabilities, net of acquisitions: 70,777 77,599 Accounts payable, accrued liabilities and accrued compensation 71,519 (46,442) Other assets and liabilities (108) 1,317 Net cash (used in) provided by operating activities: (10,899) 42,887 Cash flows from investing activities: (38,601) (70,603) Cash used in investing activities: (10,190) (60,393) Cash and thio acquisitions (37,610) (40,443) Other assets and liabilities and accrued compensation (71,519) (46,442) Other assets a		Decen	nber 24, 2021	December 25, 2020
Adjustments to reconcile net loss to net cash (used in) provided by operating activities: 21,998 19,774 Deprectation of intangible assets 12,967 13,600 (Benefit) provision for allowance for doubful accounts (422) 21,377 Non-cash operating lease expense 1,402 668 Benefit for deterred income taxes (1,845) (18,415) Amontization of deferred linancing fees 2,299 3,424 Stock compensation 11,477 9.959 Change in fair value of contingent earn-out liabilities (1,296) (11,477) Intangible asset impairment 597 24,200 Loss on asset disposal 193 113 Changes in assets and liabilities, net of acquisitions: (70,777) 77,599 Accounts provided by operating activities (10,899) 42,881 Other assets and liabilities and accrued compensation 71,519 (46,442) Other assets and liabilities (10,899) 42,881 Cash flows from investing activities: (10,899) (2,881) Cash paid for acquisitions (37,610) (40,443,991) Net cash (used in) provided by operating activities (10,199) (60,933) </th <th>· ·</th> <th>\$</th> <th>(4.923)</th> <th>\$ (82,903)</th>	· ·	\$	(4.923)	\$ (82,903)
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Change in fair value of contingent earn-out liabilities(1,296)(11,475Intangible asset impairment59724,200Loss on asset disposal193155Changes in assets and liabilities, net of acquisitions:(70,777)77,599Inventories(70,779)74,599Inventories(60,799)49,055Prepaid expenses and other current assets(2,183)(18,240Accounts payable, accrued liabilities and accrued compensation71,519(46,422)Other assets and liabilities(108)1,331Net cash (used in) provided by operating activities(19,899)42,883Cash flows from investing activities:(19,899)42,883Cash paid for acquisitions(10,190)(60,932)Net cash used in investing activities(10,190)(60,932)Cash flows from financing activities(48,991)(67,966)Cash lused from financing activities(37,610)(40,432)Payment of debt, finance lease and other financing obligations(37,610)(40,432)Proceeds from the issuance of common stock, net of issuance costs-85,941Proceeds from the issuance of common stock, net of issuance costs-85,941Payment of debt issuance(1,450)(6850)Surrender of shares to pay withholding taxes(1,829)(3,677)Cash paid for contingent earn-out liabilities(83)(2,927)Cash paid for contingent earn-out liabilities(9,222)78,057Cash paid for contingent earn-out liabilities(9,222)7	Amortization of deferred financing fees		2,299	3,426
Intangible asset impairment 597 24,200 Loss on asset disposal 193 153 Changes in assets and liabilities, net of acquisitions: (70,777) 77,590 Inventories (60,799) 49,055 Prepaid expenses and other current assets (2,183) (18,244) Accounts payable, accrued liabilities and accrued compensation 71,519 (46,442) Other assets and liabilities (108) 1,331 Net cash (used in) provided by operating activities (19,899) 42,883 Cash flows from investing activities: (10,00) (60,933) Cash paid for acquisitions (10,100) (60,933) Net cash used in investing activities: (38,801) (7,036) Cash flows from financing activities (37,610) (40,432) Proceeds from the issuance of common stock, net of issuance costs - 85,94 Proceeds from the issuance of common stock, net of issuance costs - 85,94 Surrender of shares to pay withholding taxes (1,450) (865) Surrender of shares to pay withholding taxes (83) (2,922) Borrowings under asset based loan facility - 100,000	Stock compensation		11,479	9,292
Loss on asset disposal193153Changes in assets and liabilities, net of acquisitions:(70,777)77,590Accounts receivable(70,777)77,590Inventories(60,799)44,050Prepaid expenses and other current assets(2,183)(18,244Accounts payable, accrued liabilities and accrued compensation71,519(46,442Other assets and liabilities(108)1,3131Net cash (used in) provided by operating activities(19,899)42,883Cash flows from investing activities:(10,190)(60,932Cash paid for acquisitions(10,190)(60,932Net cash used in investing activities:(48,991)(67,966Cash flows from financing activities:(148,991)(67,966Payment of debt, finance lease and other financing obligations(1,450)(46,452Proceeds from the issuance of common stock, net of issuance costs-85,941Proceeds from debt issuance(1,450)(655Surrender of shares to pay withholding taxes(1,450)(655Surrender of shares to pay withholding taxes(1,829)(3,670Cash (used in) provided by financing activities(8)(2,222)78,050Borrowings under asset based loan facility-100,000100,000Payment of defered financing activities(1,429)3,67010,000Cash and for contingent earn-out liabilities(8)(2,222)78,050Surrender of shares to pay withholding taxes(1,429)(3,67010,000 <t< td=""><td>Change in fair value of contingent earn-out liabilities</td><td></td><td>(1,296)</td><td>(11,479)</td></t<>	Change in fair value of contingent earn-out liabilities		(1,296)	(11,479)
Changes in assets and liabilities, net of acquisitions: Accounts receivable (70,777) 77,590 Inventories (60,799) 44,050 Prepaid expenses and other current assets (2,183) (18,240 Accounts payable, accrued liabilities and accrued compensation 71,519 (44,644 Other assets and liabilities (108) 1,317 Net cash (used in) provided by operating activities (19,899) 42,887 Cash flows from investing activities: (10,190) (60,932 Cash paid for acquisitions (10,190) (60,932 Net cash used in investing activities: (48,991) (67,966 Cash flows from financing activities: (48,991) (67,966 Cash flows from financing obligations (37,610) (40,432 Proceeds from the issuance of common stock, net of issuance costs - 85,942 Proceeds from debt issuance (1,450) (856 Surrender of shares to pay withholding taxes (1,450) (856 Surrender of shares to pay withholding taxes (1,450) (856 Surrender of shares to pay withholding taxes (1,450) (856 Surrender of shares to pay withholdin	Intangible asset impairment		597	24,200
Accounts receivable(70,777)77,590Inventories(60,799)44,050Prepaid expenses and other current assets(2,183)(18,240Accounts payable, accrued liabilities and accrued compensation71,519(46,442Other assets and liabilities(108)1,311Net cash (used in) provided by operating activities(108)1,312Cash flows from investing activities:(108)1,312Cash flows from investing activities:(10,190)(60,932Cash paid for acquisitions(10,190)(60,932Net cash used in investing activities(48,991)(67,966Cash flows from financing activities:(48,991)(67,966Cash flows from financing activities:-83,944Proceeds from the issuance of common stock, net of issuance costs-83,944Proceeds from the issuance of shares to pay withholding taxes(1,829)(3,677Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility-100,000Payment under asset based loan facility-100,000Payment under asset based loan facility-100,000Payment sunder asset based loan facility-100,000Payments under asset based loan facility </td <td>Loss on asset disposal</td> <td></td> <td>193</td> <td>151</td>	Loss on asset disposal		193	151
Inventories(60,799)49,050Prepaid expenses and other current assets(2,183)(18,244)Accounts payable, accrued liabilities and accrued compensation71,519(46,442)Other assets and liabilities(108)1,311Net cash (used in) provided by operating activities(19,899)42,883Cash flows from investing activities:(10,190)(60,932)Cash paid for acquisitions(10,190)(60,932)Net cash used in investing activities:(46,991)(67,966)Cash flows from financing activities:(46,991)(67,966)Payment of debt, finance lease and other financing obligations(37,610)(40,432)Proceeds from the issuance of common stock, net of issuance costs–85,944)Proceeds from debt issuance51,750–Payment of debt of financing fees(1,450)(856)Surrender of shares to pay withholding taxes(1,829)(3,670)Cash paid for contingent earn-out liabilities(83)(2,927)Borrowings under asset based loan facility–100,000Payment of detred financing activities(2,000)(60,000)Net cash (used in) provided by financing activities(2,927)78,050Cash paid for contingent earn-out liabilities(1,40)78Effect of foreign currency translation on cash and cash equivalents(14)78Net (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents(78,126)53,044Cash and cash equivalents	Changes in assets and liabilities, net of acquisitions:			
Prepaid expenses and other current assets(2,183)(18,240Accounts payable, accrued liabilities and accrued compensation71,519(46,442Other assets and liabilities(108)1,311Net cash (used in) provided by operating activities(19,899)42,883Cash flows from investing activities:(38,801)(7,036Cash paid for acquisitions(10,190)(60,932Net cash used in investing activities(48,991)(67,966Cash flows from financing activities:(37,610)(40,432Proceeds from the issuance of common stock, net of issuance costs-85,941Proceeds from the issuance of common stock, net of issuance costs-85,941Proceeds from debt issuance(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,577Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility-100,000Payment of cortingent earn-out liabilities(9,222)78,057Effect of foreign currency translation on cash and cash equivalents(14)79Net (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents at beginning of period193,281140,233	Accounts receivable		(70,777)	77,590
Accounts payable, accrued liabilities and accrued compensation71,519(46,442Other assets and liabilities(108)1.317Net cash (used in) provided by operating activities(19,899)42,883Cash flows from investing activities:(38,801)(7,036Cash paid for acquisitions(10,190)(60,932Net cash used in investing activities(48,991)(67,966Cash flows from financing activities:(37,610)(40,432Payment of debt, finance lease and other financing obligations(37,610)(40,432Proceeds from the issuance of common stock, net of issuance costs-85,941Proceeds from debt issuance51,750-Payment of debret financing fees(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,677Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility-100,000Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(14)7Effect of foreign currency translation on cash and cash equivalents(14)7Net (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents at beginning of period193,281140,233	Inventories		(60,799)	49,050
Other assets and liabilities(108)1,317Net cash (used in) provided by operating activities(19,899)42,883Cash flows from investing activities:(38,801)(7,036Cash paid for acquisitions(10,190)(60,932Net cash used in investing activities(48,991)(67,966Cash flows from financing activities:(48,991)(67,966Cash flows from financing activities:(37,610)(40,432Payment of debt, finance lease and other financing obligations(37,610)(40,432Proceeds from the issuance of common stock, net of issuance costs—85,944Proceeds from the bisuance51,750—Payment of deferred financing fees(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,670Cash paid for contingent earn-out liabilities(83)(2,922)Borrowings under asset based loan facility—100,000Net cash (used in) provided by financing activities(14)79Effect of foreign currency translation on cash and cash equivalents(14)79Net (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents at beginning of period193,281140,233	Prepaid expenses and other current assets		(2,183)	(18,240)
Net cash (used in) provided by operating activities (19,899) 42,88 Cash flows from investing activities: (19,899) 42,88 Cash paid for acquisitions (10,190) (60,933 Net cash used in investing activities (48,991) (67,966 Cash flows from financing activities: (48,991) (67,966 Payment of debt, finance lease and other financing obligations (37,610) (40,432 Proceeds from the issuance of common stock, net of issuance costs – 85,944 Proceeds from debt issuance (1,450) (856 Surrender of shares to pay withholding taxes (1,450) (856 Surrender of shares to pay withholding taxes (1,829) (2,000) Cash paid for contingent earn-out liabilities (83) (2,922) Borrowings under asset based loan facility – 100,000 Payments under asset based loan facility – 100,000 Payments under asset based loan facility (20,000) (60,000 Net (decrease) increase in cash and cash equivalents (14) 75 Vet (decrease) increase in cash and cash equivalents (78,126) 53,044 Cash and cash equivalents at beginning of period <td>Accounts payable, accrued liabilities and accrued compensation</td> <td></td> <td>71,519</td> <td>(46,442)</td>	Accounts payable, accrued liabilities and accrued compensation		71,519	(46,442)
Cash flows from investing activities:Capital expenditures(38,801)Cash paid for acquisitions(10,190)Net cash used in investing activities(48,991)Cash flows from financing activities:(48,991)Payment of debt, finance lease and other financing obligations(37,610)Proceeds from the issuance of common stock, net of issuance costs–Payment of deferred financing fees51,750Payment of deferred financing fees(1,450)Surrender of shares to pay withholding taxes(1,829)Cash paid for contingent earn-out liabilities(83)Borrowings under asset based loan facility–Payments under asset based loan facility(20,000)Net cash (used in) provided by financing activities(14)Proceeds from earn-out translation on cash and cash equivalents(14)Payments under asset based loan facility(20,000)Net (decrease) increase in cash and cash equivalents(78,126)State(14)Cash and cash equivalents at beginning of period193,281	Other assets and liabilities		(108)	1,317
Capital expenditures(38,801)(7,036)Cash paid for acquisitions(10,190)(60,932)Net cash used in investing activities(48,991)(67,966)Cash flows from financing activities:(48,991)(67,966)Payment of debt, finance lease and other financing obligations(37,610)(40,432)Proceeds from the issuance of common stock, net of issuance costs–85,942)Proceeds from debt issuance51,750–Payment of deferred financing fees(1,450)(856)Surrender of shares to pay withholding taxes(1,829)(3,670)Cash paid for contingent earn-out liabilities(83)(2,927)Borrowings under asset based loan facility–100,000Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(14)78Vet (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents at beginning of period193,281140,233	Net cash (used in) provided by operating activities		(19,899)	42,881
Capital expenditures(38,801)(7,036)Cash paid for acquisitions(10,190)(60,932)Net cash used in investing activities(48,991)(67,966)Cash flows from financing activities:(48,991)(67,966)Payment of debt, finance lease and other financing obligations(37,610)(40,432)Proceeds from the issuance of common stock, net of issuance costs–85,942)Proceeds from debt issuance51,750–Payment of deferred financing fees(1,450)(856)Surrender of shares to pay withholding taxes(1,829)(3,670)Cash paid for contingent earn-out liabilities(83)(2,927)Borrowings under asset based loan facility–100,000Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(14)78Vet (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents at beginning of period193,281140,233				
Cash paid for acquisitions(10,190)(60,932Net cash used in investing activities(48,991)(67,968Cash flows from financing activities:(48,991)(40,432Payment of debt, finance lease and other financing obligations(37,610)(40,432Proceeds from the issuance of common stock, net of issuance costs-85,941Proceeds from debt issuance(1,450)(856Surrender of shares to pay withholding taxes(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,670Cash paid for contingent earn-out liabilities(83)(2,927)Borrowings under asset based loan facility-100,000Payments under asset based loan facility(9,222)78,050Perfect of foreign currency translation on cash and cash equivalents(14)79Net (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents at beginning of period193,281140,233				
Net cash used in investing activities(48,991)(67,966)Cash flows from financing activities:Payment of debt, finance lease and other financing obligations(37,610)(40,432)Proceeds from the issuance of common stock, net of issuance costs—85,942)Proceeds from debt issuance51,750—Payment of deferred financing fees(1,450)(856)Surrender of shares to pay withholding taxes(1,829)(3,670)Cash paid for contingent earn-out liabilities(83)(2,927)Borrowings under asset based loan facility—100,000Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(14)75Effect of foreign currency translation on cash and cash equivalents(14)75Net (decrease) increase in cash and cash equivalents(78,126)53,044Cash and cash equivalents at beginning of period193,281140,232				(7,036)
Cash flows from financing activities:Payment of debt, finance lease and other financing obligations(37,610)Proceeds from the issuance of common stock, net of issuance costs-Proceeds from debt issuance51,750Payment of deferred financing fees(1,450)Surrender of shares to pay withholding taxes(1,829)Cash paid for contingent earn-out liabilities(83)Borrowings under asset based loan facility-Payments under asset based loan facility(20,000)Net cash (used in) provided by financing activities(14)Peffect of foreign currency translation on cash and cash equivalents(78,126)State and cash equivalents at beginning of period193,281140,232				
Payment of debt, finance lease and other financing obligations(37,610)(40,432Proceeds from the issuance of common stock, net of issuance costs—85,941Proceeds from debt issuance51,750—Payment of deferred financing fees(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,677Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility—100,000Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(14)75Teffect of foreign currency translation on cash and cash equivalents(14)75Cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,232	Net cash used in investing activities		(48,991)	(67,968)
Payment of debt, finance lease and other financing obligations(37,610)(40,432Proceeds from the issuance of common stock, net of issuance costs—85,941Proceeds from debt issuance51,750—Payment of deferred financing fees(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,677Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility—100,000Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(14)75Teffect of foreign currency translation on cash and cash equivalents(14)75Cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,232	Cash flows from financing activities:			
Proceeds from the issuance of common stock, net of issuance costs—85,941Proceeds from debt issuance51,750—Payment of deferred financing fees(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,670Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility—100,000Payments under asset based loan facility(20,000)(60,000Net cash (used in) provided by financing activities(14)75Ket (decrease) increase in cash and cash equivalents(14)75Cash and cash equivalents at beginning of period193,281140,233			(37,610)	(40.432)
Proceeds from debt issuance51,750—Payment of deferred financing fees(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,670Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility—100,000Payments under asset based loan facility—100,000Payments under asset based loan facility(20,000)(60,000Net cash (used in) provided by financing activities(14)79Effect of foreign currency translation on cash and cash equivalents(14)79Vet (decrease) increase in cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,233			(cr,c=c)	
Payment of deferred financing fees(1,450)(856Surrender of shares to pay withholding taxes(1,829)(3,670Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility–100,000Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(9,222)78,056Under the set based loan facilityNet (decrease) increase in cash and cash equivalents(14)79Cash and cash equivalents at beginning of period193,281140,233			51.750	
Surrender of shares to pay withholding taxes(1,829)(3,670Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility–100,000Payments under asset based loan facility(20,000)(60,000Net cash (used in) provided by financing activities(9,222)78,050Effect of foreign currency translation on cash and cash equivalents(14)75Net (decrease) increase in cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,233				(856)
Cash paid for contingent earn-out liabilities(83)(2,927Borrowings under asset based loan facility–100,000Payments under asset based loan facility(20,000)(60,000Net cash (used in) provided by financing activities(9,222)78,056Effect of foreign currency translation on cash and cash equivalents(14)75Net (decrease) increase in cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,233				(3,670)
Borrowings under asset based loan facility—100,000Payments under asset based loan facility(20,000)(60,000Net cash (used in) provided by financing activities(9,222)78,056Effect of foreign currency translation on cash and cash equivalents(14)79Net (decrease) increase in cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,233				(2,927)
Payments under asset based loan facility(20,000)(60,000)Net cash (used in) provided by financing activities(9,222)78,056Effect of foreign currency translation on cash and cash equivalents(14)79Net (decrease) increase in cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,233				
Net cash (used in) provided by financing activities (9,222) 78,050 Effect of foreign currency translation on cash and cash equivalents (14) 75 Net (decrease) increase in cash and cash equivalents (78,126) 53,048 Cash and cash equivalents at beginning of period 193,281 140,233			(20,000)	
Effect of foreign currency translation on cash and cash equivalents(14)Net (decrease) increase in cash and cash equivalents(78,126)Cash and cash equivalents at beginning of period193,281140,233	-			
Net (decrease) increase in cash and cash equivalents(78,126)53,048Cash and cash equivalents at beginning of period193,281140,233			(3,==_)	
Cash and cash equivalents at beginning of period 193,281 140,233	Effect of foreign currency translation on cash and cash equivalents		(14)	79
Cash and cash equivalents at beginning of period 193,281 140,233	Net (decrease) increase in cash and cash equivalents		(78,126)	53,048
				140,233
	Cash and cash equivalents at end of period	\$	115,155	\$ 193,281

THE CHEFS' WAREHOUSE, INC. RECONCILIATION OF GAAP NET INCOME (LOSS) PER COMMON SHARE (unaudited; in thousands except share amounts and per share data)

(undusted) in thousands except share another share data)										
		Thirteen W	/eek	s Ended	Fifty-Two Weeks Ended					
	December 24, 2021 December 25, 2020 I		December 24, 2021			December 25, 2020				
Numerator:										
Net income (loss)	\$	8,444	\$	(37,057)	\$	(4,923)	\$	(82,903)		
Add effect of dilutive securities:										
Interest on convertible notes, net of tax		673		—		—		—		
Net income (loss) available to common shareholders	\$	9,117	\$	(37,057)	\$	(4,923)	\$	(82,903)		
Denominator:										
Weighted average basic common shares outstanding		36,879,240		36,281,698		36,744,304		33,716,157		
Dilutive effect of unvested common shares		341,965		—		—		—		
Dilutive effect of options and warrants		49,008		—		—		—		
Dilutive effect of convertible notes		4,524,980		—		—		—		
Weighted average diluted common shares outstanding		41,795,193		36,281,698		36,744,304		33,716,157		
Net income (loss) per share:										
Basic	\$	0.23	\$	(1.02)	\$	(0.13)	\$	(2.46)		
Diluted	\$	0.22	\$	(1.02)	\$	(0.13)	\$	(2.46)		

THE CHEFS' WAREHOUSE, INC. RECONCILIATION OF EBITDA AND ADJUSTED EBITDA TO NET INCOME (LOSS) (unaudited; in thousands)

	Thirteen V	Veeks Ended	Fifty-Two Weeks Ended			
	December 24, 2021	December 25, 2020	December 24, 2021	December 25, 2020		
Net income (loss)	\$ 8,444	\$ (37,057)	\$ (4,923)	\$ (82,903)		
Interest expense	4,225	5,344	17,587	20,946		
Depreciation	5,728	5,060	21,998	19,774		
Amortization	3,189	3,391	12,967	13,502		
Provision for income tax expense (benefit)	3,172	(16,555)	(1,853)	(40,703)		
EBITDA (1)	24,758	(39,817)	45,776	(69,384)		
Adjustments:						
Stock compensation (2)	3,031	4,367	11,479	9,292		
Other operating expenses, net (3)	630	24,229	422	14,417		
Duplicate rent (4)	1,749	700	4,073	2,795		
Payroll tax credit (5)	—	—	(1,418)	—		
Moving expenses (6)	75	—	965	—		
Adjusted EBITDA (1)	\$ 30,243	\$ (10,521)	\$ 61,297	\$ (42,880)		

1. We are presenting EBITDA and Adjusted EBITDA, which are not measurements determined in accordance with the U.S. generally accepted accounting principles, or GAAP, because we believe these measures provide additional metrics to evaluate our operations and which we believe, when considered with both our GAAP results and the reconciliation to net income, provide a more complete understanding of our business than could be obtained absent this disclosure. We use EBITDA and Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. The use of EBITDA and Adjusted EBITDA as performance measures permits a comparative assessment of our operating performance relative to our performance based upon GAAP results while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies.

- 2. Represents non-cash stock compensation expense associated with awards of restricted shares of our common stock and stock options to our key employees and our independent directors.
- 3. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairment charges, and certain third-party deal costs incurred in connection with our acquisitions or financing arrangements.

- 4. Represents duplicate rent and occupancy costs for our Los Angeles, CA, Richmond, CA, and Miami, FL facilities.
- 5. Represents a payroll tax credit earned in accordance with the Employee Retention Credit under the CARES Act.
- 6. Represents moving expenses for the consolidation of certain facilities in New England and California.

THE CHEFS' WAREHOUSE, INC. RECONCILIATION OF ADJUSTED NET INCOME (LOSS) TO NET INCOME (LOSS) (unaudited; in thousands except share amounts and per share data)

	Thirteen Weeks Ended					Fifty-Two Weeks Ended				
	December 24, 2021		Ι	December 25, 2020		December 24, 2021		December 25, 2020		
Net income (loss)	\$	8,444	\$	(37,057)	\$	(4,923)	\$	(82,903)		
Adjustments to reconcile net income (loss) to adjusted net income (loss) (1):	d									
Other operating expenses (2)		630		24,229		422		14,417		
Duplicate rent (3)		1,749		700		4,073		2,795		
Moving expenses (4)		75		_		965		—		
Third party debt modification fees (5)				_		—		1,233		
Payroll tax credit (6)		—		_		(1,418)		_		
Tax effect of adjustments (7)		(687)		(6,855)		(1,132)		(5,072)		
Total adjustments		1,767		18,074		2,910		13,373		
Adjusted net income (loss)	\$	10,211	\$	(18,983)	\$	(2,013)	\$	(69,530)		
Diluted adjusted income (loss) per common share	\$	0.26	\$	(0.52)	\$	(0.05)	\$	(2.06)		
Diluted shares outstanding - adjusted		41,795,193		36,281,698		36,744,304		33,716,157		

- 1. We are presenting adjusted net income and adjusted earnings per common share (EPS), which are not measurements determined in accordance with U.S. generally accepted accounting principles, or GAAP, because we believe these measures provide additional metrics to evaluate our operations and which we believe, when considered with both our GAAP results and the reconciliation to net income available to common stockholders, provide a more complete understanding of our business than could be obtained absent this disclosure. We use adjusted net income available to common stockholders and adjusted EPS, together with financial measures prepared in accordance with GAAP, such as revenue and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. The use of adjusted net income available to common stockholders and adjusted EPS as performance measures premits a comparative assessment of our operating performance relative to our performance based upon our GAAP results while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies.
- 2. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairments, and certain third-party deal costs incurred in connection with our acquisitions or financing arrangements.
- 3. Represents duplicate rent and occupancy costs for our Los Angeles, CA, Richmond, CA, and Miami, FL facilities.
- 4. Represents moving expenses for the consolidation of certain facilities in New England and California.
- 5. Represents interest expense related to investment banking fees paid in connection with the modification of our senior secured term loan.
- 6. Represents a payroll tax credit earned in accordance with the Employee Retention Credit under the CARES Act.
- 7. Represents the tax effect of items 2 through 6 above.

THE CHEFS' WAREHOUSE, INC. RECONCILIATION OF ADJUSTED EARNINGS PER COMMON SHARE (unaudited; in thousands except share amounts and per share data)

		Thirteen W	Veel	ks Ended	Fifty-Two Weeks Ended				
	Dece	December 24, 2021		December 25, 2020		December 24, 2021		December 25, 2020	
Numerator:									
Adjusted net income (loss)	\$	10,211	\$	(18,983)	\$	(2,013)	\$	(69,530)	
Add effect of dilutive securities:									
Interest on convertible notes, net of tax		673		—		—		—	
Adjusted net income (loss) available to common shareholders	\$	10,884	\$	(18,983)	\$	(2,013)	\$	(69,530)	
Denominator:									
Weighted average basic common shares outstanding		36,879,240		36,281,698		36,744,304		33,716,157	
Dilutive effect of unvested common shares		341,965		_		—		_	
Dilutive effect of options and warrants		49,008				_			
Dilutive effect of convertible notes		4,524,980		—		—		—	
Weighted average diluted common shares outstanding		41,795,193		36,281,698		36,744,304		33,716,157	
Adjusted earnings per share:									
Diluted	\$	0.26	\$	(0.52)	\$	(0.05)	\$	(2.06)	