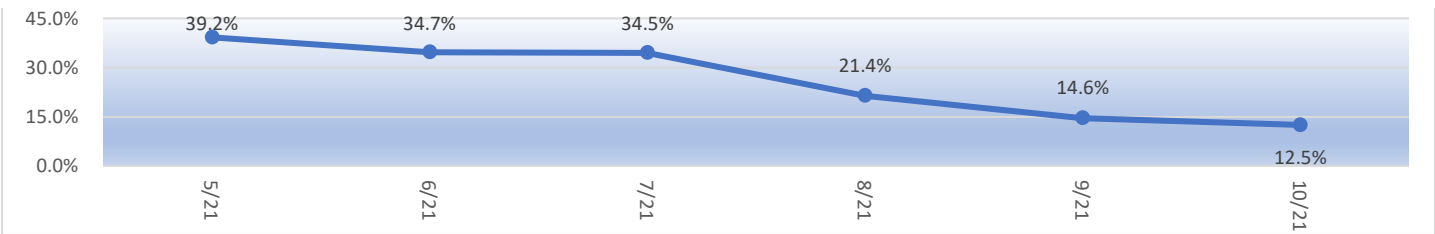


SAME STORE SALES (Source: Compass RCR)

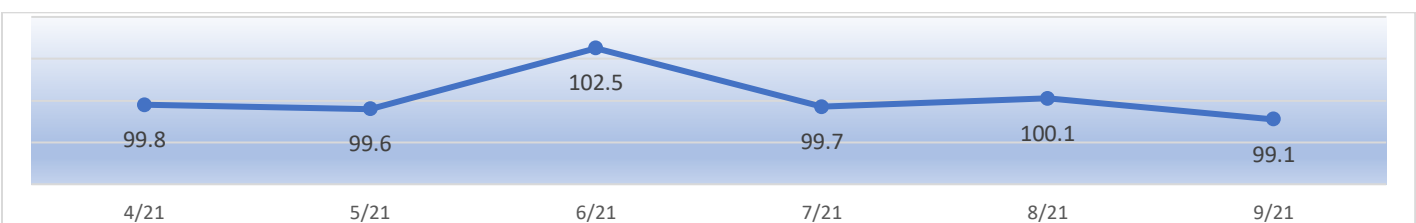


COMMENTS: Based on consensus from our sources (CRCR interviews, NFIB Survey, National Restaurant Association Monthly Survey) SSS and Traffic continued to soften during the month; the trajectory was over last year. With inflation hitting middle and lower income the hardest, we are seeing signs of business slowdown. We foresee off premise options for restaurant purchases will increase during the holidays driven by higher gas prices, the desire to avoid the crowds, and ease of use vs. cooking at home.

RESTAURANT PERFORMANCE INDEX (Source: National Restaurant Association)

| | 2/21 | 3/21 | 4/21 | 5/21 | 6/21 | 7/21 | 8/21 | 9/21 |
|-------------------------------------|---------|---------|--------|--------|---------|---------|-------------|---------|
| RESTAURANT PERFORMANCE INDEX | 100.1 | 105.1 | 106.3 | 105.5 | 105.6 | 105.2 | 104.2 | 102.9 |
| CURRENT SITUATIONS | | | | | | | | |
| SSS Increase/Decrease | 73%/27% | 77%/23% | 97%/3% | 95%/5% | 84%/16% | 85%/15% | 73%/11%/16% | 76%/24% |
| Capital Spending | 53% | 58% | 74% | 68% | 72% | 73% | 63% | 59% |
| EXPECTATIONS: | | | | | | | | |
| Sales Outlook Improvement | 63% | 78% | 77% | 75% | 75% | 71% | 53% | 47% |
| Economy Outlook Improvement | 66% | 69% | 64% | 74% | 68% | 32% | 36% | 16% |

SMALL BUSINESS OPTIMISM INDEX (Source: NFIB and Compass RCR)



October operator results indicate a strong shift away from confidence in the current and future business conditions; this is declining rapidly. It also indicates that general situations with staffing, inflation, and supply chain disruptions are not looking good through the holidays. The frustration with staffing grows as the search goes beyond "warm bodies" to finding qualified workers.

CONSUMER SENTIMENT (University of Michigan-Sentiment)

- Consumer Sentiment remains relatively unchanged from September. However, according to the Survey of Consumers by the University of Michigan, the positive impacts of higher income expectations and receding Covid 19 has been offset by falling confidence in government economic policies and high rate of inflation. Consumers also expressed greater uncertainty about the coming year's inflation rate than anytime in nearly 40 years of these surveys. Declining living standards, due to inflation, were mentioned by 20% of households.

| | 5/21 | 6/21 | 7/21 | 8/21 | 9/21 | 10/21 |
|------------------------------|------|------|------|------|------|-------|
| Consumer Sentiment | 82.9 | 85.5 | 81.2 | 70.3 | 72.8 | 71.7 |
| Current Economy | 89.4 | 88.6 | 84.5 | 78.5 | 80.1 | 77.7 |
| Consumer Expectations | 78.8 | 83.5 | 78.4 | 65.1 | 68.1 | 67.5 |

HEADLINE NEWS

- Off premise sales expected to increase during holidays.
- Supply Chain Issues – multiple causes.
- Store staffing improves but at a cost.