

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>POTBELLY SANDWICH WORKS 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/2000</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/2000</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/01/2000</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>POTBELLY SANDWICH WORKS, LLC</u> <u>111 N. CANAL STREET</u> <u>SUITE 850</u> <u>CHICAGO, IL 60606</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>36-4063453</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>312-334-5813</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>722513</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>36-4063453</u>	2c Plan Sponsor's telephone number <u>312-334-5813</u>	2d Business code (see instructions) <u>722513</u>	
2b Employer Identification Number (EIN) <u>36-4063453</u>					
2c Plan Sponsor's telephone number <u>312-334-5813</u>					
2d Business code (see instructions) <u>722513</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	12/29/2023	PAT WALSH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	4455
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	4279
a(2) Total number of active participants at the end of the plan year		6a(2)	6256
b Retired or separated participants receiving benefits.....		6b	
c Other retired or separated participants entitled to future benefits		6c	215
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	6471
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	
f Total. Add lines 6d and 6e		6f	6471
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	667
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	58
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2K 2T 2E 2F 2G 2J 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan POTBELLY SANDWICH WORKS 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 POTBELLY SANDWICH WORKS, LLC	D Employer Identification Number (EIN) 36-4063453	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	57709	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

20-8764829

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26	INVESTMENT ADVISOR	29000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
METWEST TOT RTN BD I - BNY MELLON 52-2269240	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan POTBELLY SANDWICH WORKS 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 POTBELLY SANDWICH WORKS, LLC	D Employer Identification Number (EIN) 36-4063453	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	5524	5525
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	236317	215816
(9) Value of interest in common/collective trusts	1c(9)	471272	396978
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	15967566	17633045
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	16680679	18251364

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	16680679	18251364
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	203606	
(B) Participants	2a(1)(B)	1487631	
(C) Others (including rollovers).....	2a(1)(C)	83412	
(2) Noncash contributions.....	2a(2)	0	1774649
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	1	
(B) U.S. Government securities.....	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	11262	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11263
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	527056	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		527056
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		5475
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1918210
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		4236653
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2467145	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		2467145
f Corrective distributions (see instructions).....	2f		106863
g Certain deemed distributions of participant loans (see instructions).....	2g		5251
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	86709	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		86709
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2665968
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		1570685
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CROWE LLP

(2) EIN: 35-0921680

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a	X		861270

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
---	--	---

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan POTBELLY SANDWICH WORKS 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 POTBELLY SANDWICH WORKS, LLC	D Employer Identification Number (EIN) 36-4063453

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

POTBELLY SANDWICH WORKS
401(k) PLAN
Chicago, Illinois

FINANCIAL STATEMENTS
December 31, 2021 and 2020

POTBELLY SANDWICH WORKS
401(k) PLAN
Chicago, Illinois

FINANCIAL STATEMENTS
December 31, 2021 and 2020

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	5
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL SCHEDULES	
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS	12
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)	13

INDEPENDENT AUDITOR'S REPORT

Board of Trustees of
Potbelly Sandwich Works 401(k) Plan
Chicago, Illinois

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Potbelly Sandwich Works 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section.

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

(Continued)

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

(Continued)

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2021 and Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

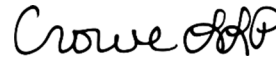
In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Potbelly Sandwich Works 401(k) Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated December 12, 2023 we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.


Crowe LLP

Oak Brook, Illinois
December 28, 2023

POTBELLY SANDWICH WORKS 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments, at fair value	\$ 18,035,548	\$ 16,444,362
Employer contributions receivable	168,405	-
Participant contributions receivable	53,327	49,616
Notes receivable from participants	<u>215,816</u>	<u>236,317</u>
Total assets	<u>18,473,096</u>	<u>16,730,295</u>
LIABILITIES		
Excess contributions payable	<u>119,685</u>	<u>105,796</u>
Total liabilities	<u>119,685</u>	<u>105,796</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 18,353,411</u>	<u>\$ 16,624,499</u>

See accompanying notes to financial statements.

POTBELLY SANDWICH WORKS 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2021

Additions to net assets attributed to:

Investment Income	
Net appreciation in fair value of investments	\$ 1,919,629
Interest and dividends	<u>542,988</u>
	2,462,617
Contributions	
Employer	372,011
Participant	1,371,656
Rollovers	<u>83,412</u>
	<u>1,827,079</u>

Total additions	4,289,696
-----------------	-----------

Deductions from net assets attributed to:

Benefits paid to participants	2,474,077
Administrative expenses	<u>86,707</u>
Total deductions	<u>2,560,784</u>

Net increase	1,728,912
---------------------	-----------

Net assets available for benefits

Beginning of year	<u>16,624,499</u>
End of year	<u>\$ 18,353,411</u>

See accompanying notes to financial statements.

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Potbelly Sandwich Works 401(k) Plan ("the Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan sponsored by Potbelly Sandwich Works, LLC ("the Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Fidelity Management Trust Company is the trustee and custodian of the Plan's assets, which are held in various mutual funds and a collective trust.

Eligibility: Any employee of the Company who has attained 18 years of age, has completed one month of service, and who is not a nonresident alien. Eligible employees may enroll in the Plan on the first day of the month after the eligibility requirements are met.

Contributions: Participants may elect to contribute from 1% to 100% of pretax compensation. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company may make a discretionary matching contribution in an amount equal to a percentage (50% in 2019) of each eligible participant's contribution, up to a maximum of 6% of the participant's compensation, not to exceed \$3,000. Employer contributions were suspended during March 2020 and were reinstated during July 2021. The Company made matching contributions of \$222,996 related to the year ended December 31, 2021. In addition, the Company made a qualified non-elective contribution of \$149,015 related to the year ended December 31, 2021 in order to satisfy compliance testing requirements.

Participants direct the investment of their contributions into various investment options offered by the Plan. The participants are able to change their investment options on a daily basis. Contributions are subject to certain limitations.

Participant Accounts: Each participant's account is credited with the participants' contributions, the employer's matching contribution, and an allocation of investment earnings or losses and administrative expenses, if any. Allocations are based on participant earnings or account balances, as defined. The benefit to which the participant is entitled is the benefit that can be provided from the participant's vested account. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

Vesting: Participants are immediately vested in their deferral and rollover contributions plus actual earnings thereon. Participants are also fully vested upon death or disability.

Participants vest in their discretionary employer-matching contributions in accordance with the following table:

<u>Year of Vesting Service</u>	<u>Vested Equity</u>
Less than 2 years	0%
2	20
3	40
4	60
5	80
6	100

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Notes Receivable from Participants: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms generally range from one to five years. Loans for the purchase of a principal residence can be paid over a reasonable period of time, which may exceed five years. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with the local prevailing rates as determined by the plan administrator. Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of Benefits: Benefits under the Plan are payable to participants or their beneficiaries upon death, retirement, disability, or termination of employment. Benefits are payable in either a lump-sum amount equal to the value of the participant's vested interest in his or her account or in the form of installment payments as determined by the participant. Participants may make withdrawals from the deferral portion of their accounts as well as any vested company match portion of their accounts upon reaching age 59½ or by determination that a financial hardship, as defined, has occurred.

Expenses of the Plan: Certain professional fees and administrative costs are paid by the Plan, and other professional and administrative costs are paid by the Company.

Forfeitures: Forfeitures may be used to pay plan expenses or reduce future employer contributions. As of December 31, 2021 and 2020, forfeited non-vested accounts totaled \$40,683 and \$75,574, respectively. During 2021, \$90,247 of forfeitures were used to reduce employer matching contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition: The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

Mutual funds: The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Collective trust: The fair values of participation units in the stable value collective trust are based upon the net asset value per unit as reported by the fund manager. The fund provides for daily redemptions of participant units at the end of each day and at the net unit value at contract value, provided that the Plan complies with the required one-year notice provision for plan redemption or the Plan may elect to withdraw units at their market value upon 10 days' notice when the market value of units is less than their contract value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2021 Using:			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds	\$ 17,638,570	\$ 17,638,570	\$ -	\$ -
Investments measured at net asset value*				
Collective trusts	<u>396,978</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments, at fair value	<u>\$ 18,035,548</u>	<u>\$ 17,638,570</u>	<u>\$ -</u>	<u>\$ -</u>
	Fair Value Measurements at December 31, 2020 Using:			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds	\$ 15,973,090	\$ 15,973,090	\$ -	\$ -
Investments measured at net asset value*				
Collective trusts	<u>471,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments, at fair value	<u>\$ 16,444,362</u>	<u>\$ 15,973,090</u>	<u>\$ -</u>	<u>\$ -</u>

* Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statement of net assets available for benefits.

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from those estimates.

Notes Receivable from Participants: Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' account balances.

Excess Contributions: Refunds of excess participant contributions may be required to satisfy the relevant nondiscrimination provisions of the Plan. Such refunds are accrued as a liability and reduction in contributions in the plan year in which the excess deferrals were made to the Plan. The statements of net assets available for benefits include excess contributions payable of \$119,685 and \$105,796 at December 31, 2021 and 2020, respectively.

Payment of Benefits: Benefits are recorded when paid.

Risks and Uncertainties: The Plan holds various investment securities. Investment securities are exposed to various risks such as interest rate, market, liquidity and credit risks as well as the risks associated with global events. Due to the level of risk associated with certain investment securities and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 3 - CERTIFIED INVESTMENTS AND NOTES RECEIVABLE FROM PARTICIPANTS

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2021 and 2020, and net depreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company (the trustee of the Plan).

NOTE 4 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as a fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain professional fees for plan administration and audit fees were paid by the Plan, and other professional and administrative fees are paid by the Company. The Plan holds a money market fund issued by and affiliated of the trustee. Therefore, this investment qualifies as a party-in-interest investment. Certain plan participants have notes from the Plan, which also qualify as party-in-interest transactions.

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue contributions and to terminate the Plan at any time, subject to the provisions of ERISA. In the event of plan termination, participants' accounts would become 100% vested and distributed to the participants and/or their beneficiaries in accordance with plan provisions and ERISA guidelines.

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 - TAX STATUS

Effective June 15, 2017, the Plan adopted a prototype plan sponsored by Fidelity Management Trust Company. The prototype plan has received an opinion letter, dated June 30, 2020, from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2018.

NOTE 7 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to the Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per financial statements	\$ 18,353,411	\$ 16,624,499
Excess contributions payable	119,685	105,796
Employer contribution receivable	(168,405)	-
Employee contribution receivable	<u>(53,327)</u>	<u>(49,616)</u>
Net assets per the Form 5500	<u>\$ 18,251,364</u>	<u>\$ 16,680,679</u>

The following is a reconciliation of the change in net assets per the financial statements to net income per the Form 5500 for the year ended December 31, 2021:

Increase in net assets available for benefits per financial statements	\$ 1,728,912
Less change in contributions receivable	(172,116)
Add excess contributions payable at December 31, 2021	119,685
Less excess contributions payable at December 31, 2020	<u>(105,796)</u>
Net income per the Form 5500	<u>\$ 1,570,685</u>

NOTE 8 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through December 28, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

POTBELLY SANDWICH WORKS 401(k) PLAN
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
Year ended December 31, 2021

Name of plan sponsor: Potbelly Sandwich Works, LLC
Employer identification number: 36-4063453
Three-digit plan number: 001

Check here if late Participant Loan Repayments are included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
X	2020 - \$145,672			
X	2021 - \$715,598			

See Independent Auditor's Report.

POTBELLY SANDWICH WORKS 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2021

Name of plan sponsor: Potbelly Sandwich Works, LLC
Employer identification number: 36-4063453
Three-digit plan number: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost ⁽¹⁾	(e) Current Value
		<u>Mutual Funds</u>		
	Hartford Funds	Mid Cap R6 Fund	\$	151,001
	ClearBridge	International Growth Fund		13,858
	Delaware Funds	Small Cap Value R6 Fund		65,015
	T. Rowe Price	Blue Chip Growth I		672,938
	Invesco	Diversified Dividend R6 Fund		241,847
	BlackRock	High Yield Bond Class K		36,850
	Metwest Funds	Total Return Bond I		141,800
	Vanguard	Small Cap Index Fund Admiral Shares		459,035
	Vanguard	Mid Cap Index Fund Admiral Shares		253,398
	Invesco	Equally-weighted S&P 500 Class R6		363,143
	Vanguard	Developed Markets Index Fund Admiral Shares		220,911
	Virtus Vontobel	Emerging Markets Opportunities Class R6		41,346
	BlackRock	LifePath Index Retirement Class K Shares		803,401
	BlackRock	LifePath Index 2025 Retirement Fund		423,654
	BlackRock	LifePath Index 2030 Retirement Fund		1,750,562
	BlackRock	LifePath Index 2035 Retirement Fund		1,876,754
	BlackRock	LifePath Index 2040 Retirement Fund		2,034,748
	BlackRock	LifePath Index 2045 Retirement Fund		2,709,277
	BlackRock	LifePath Index 2050 Retirement Fund		2,730,718
	BlackRock	LifePath Index 2055 Retirement Fund		1,789,578
	Blackrock	LifePath Index 2060 Retirement Fund		810,174
*	Fidelity	Government Money Market		5,525
	Victory	Victory RS Small Cap Growth R6		25,903
	Janus Henderson	Mid Cap Value N		17,134
				<u>17,638,570</u>
		<u>Collective Trust</u>		
	Invesco	Invesco Stable Value Retirement Fund Class 3		396,978
		<u>Notes Receivable from Participants</u>		
*	Participant loans	Interest rates ranging from 3.50% to 6.50%, maturity through 2030		<u>215,816</u>
				<u>\$ 18,251,364</u>

* Denotes party in interest to the Plan

⁽¹⁾ Cost information is not required for participant-directed investments.

See Independent Auditor's Report.

POTBELLY SANDWICH WORKS
401(k) PLAN
Chicago, Illinois

FINANCIAL STATEMENTS
December 31, 2021 and 2020

POTBELLY SANDWICH WORKS
401(k) PLAN
Chicago, Illinois

FINANCIAL STATEMENTS
December 31, 2021 and 2020

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	5
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	6
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL SCHEDULES	
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS	12
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)	13

INDEPENDENT AUDITOR'S REPORT

Board of Trustees of
Potbelly Sandwich Works 401(k) Plan
Chicago, Illinois

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Potbelly Sandwich Works 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section.

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

(Continued)

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

(Continued)

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2021 and Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

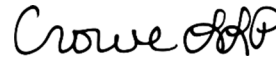
In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Potbelly Sandwich Works 401(k) Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated December 12, 2023 we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.


Crowe LLP

Oak Brook, Illinois
December 28, 2023

POTBELLY SANDWICH WORKS 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments, at fair value	\$ 18,035,548	\$ 16,444,362
Employer contributions receivable	168,405	-
Participant contributions receivable	53,327	49,616
Notes receivable from participants	<u>215,816</u>	<u>236,317</u>
Total assets	<u>18,473,096</u>	<u>16,730,295</u>
LIABILITIES		
Excess contributions payable	<u>119,685</u>	<u>105,796</u>
Total liabilities	<u>119,685</u>	<u>105,796</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 18,353,411</u>	<u>\$ 16,624,499</u>

See accompanying notes to financial statements.

POTBELLY SANDWICH WORKS 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2021

Additions to net assets attributed to:

Investment Income	
Net appreciation in fair value of investments	\$ 1,919,629
Interest and dividends	<u>542,988</u>
	2,462,617
Contributions	
Employer	372,011
Participant	1,371,656
Rollovers	<u>83,412</u>
	<u>1,827,079</u>

Total additions	4,289,696
-----------------	-----------

Deductions from net assets attributed to:

Benefits paid to participants	2,474,077
Administrative expenses	<u>86,707</u>
Total deductions	<u>2,560,784</u>

Net increase	1,728,912
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Net assets available for benefits

Beginning of year	<u>16,624,499</u>
End of year	<u>\$ 18,353,411</u>

See accompanying notes to financial statements.

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Potbelly Sandwich Works 401(k) Plan ("the Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan sponsored by Potbelly Sandwich Works, LLC ("the Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Fidelity Management Trust Company is the trustee and custodian of the Plan's assets, which are held in various mutual funds and a collective trust.

Eligibility: Any employee of the Company who has attained 18 years of age, has completed one month of service, and who is not a nonresident alien. Eligible employees may enroll in the Plan on the first day of the month after the eligibility requirements are met.

Contributions: Participants may elect to contribute from 1% to 100% of pretax compensation. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company may make a discretionary matching contribution in an amount equal to a percentage (50% in 2019) of each eligible participant's contribution, up to a maximum of 6% of the participant's compensation, not to exceed \$3,000. Employer contributions were suspended during March 2020 and were reinstated during July 2021. The Company made matching contributions of \$222,996 related to the year ended December 31, 2021. In addition, the Company made a qualified non-elective contribution of \$149,015 related to the year ended December 31, 2021 in order to satisfy compliance testing requirements.

Participants direct the investment of their contributions into various investment options offered by the Plan. The participants are able to change their investment options on a daily basis. Contributions are subject to certain limitations.

Participant Accounts: Each participant's account is credited with the participants' contributions, the employer's matching contribution, and an allocation of investment earnings or losses and administrative expenses, if any. Allocations are based on participant earnings or account balances, as defined. The benefit to which the participant is entitled is the benefit that can be provided from the participant's vested account. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

Vesting: Participants are immediately vested in their deferral and rollover contributions plus actual earnings thereon. Participants are also fully vested upon death or disability.

Participants vest in their discretionary employer-matching contributions in accordance with the following table:

<u>Year of Vesting Service</u>	<u>Vested Equity</u>
Less than 2 years	0%
2	20
3	40
4	60
5	80
6	100

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Notes Receivable from Participants: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms generally range from one to five years. Loans for the purchase of a principal residence can be paid over a reasonable period of time, which may exceed five years. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with the local prevailing rates as determined by the plan administrator. Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of Benefits: Benefits under the Plan are payable to participants or their beneficiaries upon death, retirement, disability, or termination of employment. Benefits are payable in either a lump-sum amount equal to the value of the participant's vested interest in his or her account or in the form of installment payments as determined by the participant. Participants may make withdrawals from the deferral portion of their accounts as well as any vested company match portion of their accounts upon reaching age 59½ or by determination that a financial hardship, as defined, has occurred.

Expenses of the Plan: Certain professional fees and administrative costs are paid by the Plan, and other professional and administrative costs are paid by the Company.

Forfeitures: Forfeitures may be used to pay plan expenses or reduce future employer contributions. As of December 31, 2021 and 2020, forfeited non-vested accounts totaled \$40,683 and \$75,574, respectively. During 2021, \$90,247 of forfeitures were used to reduce employer matching contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition: The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

Mutual funds: The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Collective trust: The fair values of participation units in the stable value collective trust are based upon the net asset value per unit as reported by the fund manager. The fund provides for daily redemptions of participant units at the end of each day and at the net unit value at contract value, provided that the Plan complies with the required one-year notice provision for plan redemption or the Plan may elect to withdraw units at their market value upon 10 days' notice when the market value of units is less than their contract value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2021 Using:			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds	\$ 17,638,570	\$ 17,638,570	\$ -	\$ -
Investments measured at net asset value*				
Collective trusts	<u>396,978</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments, at fair value	<u>\$ 18,035,548</u>	<u>\$ 17,638,570</u>	<u>\$ -</u>	<u>\$ -</u>
	Fair Value Measurements at December 31, 2020 Using:			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds	\$ 15,973,090	\$ 15,973,090	\$ -	\$ -
Investments measured at net asset value*				
Collective trusts	<u>471,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments, at fair value	<u>\$ 16,444,362</u>	<u>\$ 15,973,090</u>	<u>\$ -</u>	<u>\$ -</u>

* Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statement of net assets available for benefits.

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from those estimates.

Notes Receivable from Participants: Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' account balances.

Excess Contributions: Refunds of excess participant contributions may be required to satisfy the relevant nondiscrimination provisions of the Plan. Such refunds are accrued as a liability and reduction in contributions in the plan year in which the excess deferrals were made to the Plan. The statements of net assets available for benefits include excess contributions payable of \$119,685 and \$105,796 at December 31, 2021 and 2020, respectively.

Payment of Benefits: Benefits are recorded when paid.

Risks and Uncertainties: The Plan holds various investment securities. Investment securities are exposed to various risks such as interest rate, market, liquidity and credit risks as well as the risks associated with global events. Due to the level of risk associated with certain investment securities and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 3 - CERTIFIED INVESTMENTS AND NOTES RECEIVABLE FROM PARTICIPANTS

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2021 and 2020, and net depreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company (the trustee of the Plan).

NOTE 4 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as a fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain professional fees for plan administration and audit fees were paid by the Plan, and other professional and administrative fees are paid by the Company. The Plan holds a money market fund issued by and affiliated of the trustee. Therefore, this investment qualifies as a party-in-interest investment. Certain plan participants have notes from the Plan, which also qualify as party-in-interest transactions.

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue contributions and to terminate the Plan at any time, subject to the provisions of ERISA. In the event of plan termination, participants' accounts would become 100% vested and distributed to the participants and/or their beneficiaries in accordance with plan provisions and ERISA guidelines.

(Continued)

POTBELLY SANDWICH WORKS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 - TAX STATUS

Effective June 15, 2017, the Plan adopted a prototype plan sponsored by Fidelity Management Trust Company. The prototype plan has received an opinion letter, dated June 30, 2020, from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2018.

NOTE 7 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to the Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per financial statements	\$ 18,353,411	\$ 16,624,499
Excess contributions payable	119,685	105,796
Employer contribution receivable	(168,405)	-
Employee contribution receivable	<u>(53,327)</u>	<u>(49,616)</u>
Net assets per the Form 5500	<u>\$ 18,251,364</u>	<u>\$ 16,680,679</u>

The following is a reconciliation of the change in net assets per the financial statements to net income per the Form 5500 for the year ended December 31, 2021:

Increase in net assets available for benefits per financial statements	\$ 1,728,912
Less change in contributions receivable	(172,116)
Add excess contributions payable at December 31, 2021	119,685
Less excess contributions payable at December 31, 2020	<u>(105,796)</u>
Net income per the Form 5500	<u>\$ 1,570,685</u>

NOTE 8 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through December 28, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

POTBELLY SANDWICH WORKS 401(k) PLAN
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
Year ended December 31, 2021

Name of plan sponsor: Potbelly Sandwich Works, LLC
Employer identification number: 36-4063453
Three-digit plan number: 001

Check here if late Participant Loan Repayments are included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
X	2020 - \$145,672			
X	2021 - \$715,598			

See Independent Auditor's Report.

POTBELLY SANDWICH WORKS 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2021

Name of plan sponsor: Potbelly Sandwich Works, LLC
Employer identification number: 36-4063453
Three-digit plan number: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost ⁽¹⁾	(e) Current Value
		<u>Mutual Funds</u>		
	Hartford Funds	Mid Cap R6 Fund	\$	151,001
	ClearBridge	International Growth Fund		13,858
	Delaware Funds	Small Cap Value R6 Fund		65,015
	T. Rowe Price	Blue Chip Growth I		672,938
	Invesco	Diversified Dividend R6 Fund		241,847
	BlackRock	High Yield Bond Class K		36,850
	Metwest Funds	Total Return Bond I		141,800
	Vanguard	Small Cap Index Fund Admiral Shares		459,035
	Vanguard	Mid Cap Index Fund Admiral Shares		253,398
	Invesco	Equally-weighted S&P 500 Class R6		363,143
	Vanguard	Developed Markets Index Fund Admiral Shares		220,911
	Virtus Vontobel	Emerging Markets Opportunities Class R6		41,346
	BlackRock	LifePath Index Retirement Class K Shares		803,401
	BlackRock	LifePath Index 2025 Retirement Fund		423,654
	BlackRock	LifePath Index 2030 Retirement Fund		1,750,562
	BlackRock	LifePath Index 2035 Retirement Fund		1,876,754
	BlackRock	LifePath Index 2040 Retirement Fund		2,034,748
	BlackRock	LifePath Index 2045 Retirement Fund		2,709,277
	BlackRock	LifePath Index 2050 Retirement Fund		2,730,718
	BlackRock	LifePath Index 2055 Retirement Fund		1,789,578
	Blackrock	LifePath Index 2060 Retirement Fund		810,174
*	Fidelity	Government Money Market		5,525
	Victory	Victory RS Small Cap Growth R6		25,903
	Janus Henderson	Mid Cap Value N		17,134
				<u>17,638,570</u>
		<u>Collective Trust</u>		
	Invesco	Invesco Stable Value Retirement Fund Class 3		396,978
		<u>Notes Receivable from Participants</u>		
*	Participant loans	Interest rates ranging from 3.50% to 6.50%, maturity through 2030		<u>215,816</u>
				<u>\$ 18,251,364</u>

* Denotes party in interest to the Plan

⁽¹⁾ Cost information is not required for participant-directed investments.

See Independent Auditor's Report.