



October 27, 2025

VIA ELECTRONIC MAIL (governance@sbafla.com)

Mr. Chris Spencer
Executive Director
State Board of Administration of Florida
1801 Hermitage Boulevard.
Suite 100
Tallahassee, FL 32308

Re: Cracker Barrel Old Country Store, Inc.

Dear Mr. Spencer:

On behalf of our Board of Directors, I am responding to your correspondence dated August 29, 2025, along with your letter to shareholders filed with the Securities and Exchange Commission on October 3, 2025. We appreciate your investment in Cracker Barrel as well as your engagement on these important issues, and we would be grateful if you would be willing to schedule a call to discuss them.

As you are likely aware, Cracker Barrel's presence in Florida is significant: We own and operate 60 stores throughout the state, where we proudly employ over 6,500 people and welcome in more than 17 million Floridians and travelers each year, providing them with genuine country hospitality and delicious home-style food and nostalgic retail products. We have an important and longstanding relationship with the state and care deeply about how Florida feels about our company.

Before addressing the specific questions you asked, we thought it would be beneficial to provide background regarding several key topics, including the Company's strategic plan, our Board's engagement, and our intentions regarding the logo change and store remodel tests that generated widespread public attention and prompted your letter.

Strategic Plan and Board Engagement

All the directors on the Cracker Barrel Board are highly engaged, and we actively oversee the strategic direction of the Company, capital allocation, and management. The Board was directly involved in the formulation and refinement of our strategic plan that we announced in May 2024, and we continue to work closely with management in the ongoing execution of the plan.

Cracker Barrel, like many companies in the full-service restaurant industry, has faced significant challenges over the past fifteen years, particularly coming out of the pandemic. The way people eat, the way they travel, the rise of fast-casual concepts and third-party delivery services, wage inflation, technology changes, and culinary evolution have resulted in the erosion of traffic and an increase in costs. In evaluating these dynamics, our Board saw the need for change and, in 2023, deliberately recruited a new CEO to lead the charge on a strategic plan to grow sales and profitability and deliver enhanced shareholder value.

The Board then oversaw a deep, data-driven review of the Company's positioning in the restaurant industry and the opportunities to improve it, and we participated directly in the formulation of the multi-pronged strategic plan that was put in place in response to the findings from our extensive market study. The Company's plan was built around five key pillars, of which brand refinement was only one, and these pillars were underpinned by over twenty key initiatives, of which our logo change and store remodel tests were only two. The Board was fully apprised, aware, and unanimously in agreement with all of these pillars and initiatives. In fact, the Board appointed a sub-committee of experienced directors to work with and oversee management and our outside advisers on key aspects of the plan and has met regularly to review and measure our progress against the plan's objectives.

Cracker Barrel's 2025 fiscal year (which ended August 1, 2025) saw the "green shoots" that developed in fiscal 2024 continue to thrive, as the Company delivered five consecutive quarters of same store sales growth and full fiscal year earnings at the high end of our guidance range. We also delivered our first positive EBITDA growth since the pandemic.

Driving this financial performance were a number of successful initiatives that the Company delivered pursuant to the plan, including the following:

- launched new marketing campaigns and brand partnerships such as NASCAR and Hallmark;
- made improvements in key operating and guest metrics including seat-to-eat and seat-to-pre-check times;
- enhanced the menu and implemented a strategic pricing optimization initiative, which improved our sales and profits;

- substantially improved off-premise sales and catering; and
- increased the Cracker Barrel Rewards loyalty program by 3.4 million members to 9.0+ million members.

In short, the strategic plan was working, and we were pleased with the initial results from these initiatives.

As management rolled out and executed the strategic plan, it was the subject of significant discussion with the investment community, and we believe it was well understood by investors and analysts. Following the initial announcement in May 2024 in which the Company's management had first outlined details of the plan, the Company reported each quarter about the execution of key initiatives and the progress being made, with additional communications at investment conferences and as part of ongoing shareholder engagement.

Logo and Remodels

With regard to the Company's logo change and store remodel tests that garnered such widespread attention shortly after fiscal 2025 concluded, the Board and management listened carefully to our guests when they told us that we mis-stepped. In response to this feedback, we quickly reverted to our "Old Timer" logo and paused the test remodels. While we are in a consumer-facing business and recognize that for us "perception is reality", we note that each of these initiatives were intended to be more limited in scope than they were perceived or portrayed in social and traditional media.

With regard to the new logo, our plan included using it in certain applications like our menus and on billboards and digital platforms where a simpler design would be easier to read. (Beginning in 2015, and particularly over the last six years, the Company had used our "word only" logo – the script words "Cracker Barrel" in the gold bean without the Old Timer– on most billboards and on digital platforms, and we attach a copy for your reference.) As the Company said in its initial public statements, we never intended to remove the "Old Timer" from all applications.

With regard to store remodels, we promised our investors when we launched the strategic plan that we would not deploy meaningful levels of capital on remodels unless and until we were confident that they would generate positive returns over an established hurdle rate. We then began a series of remodel tests, trying out different combinations of various elements (paint, seating, lighting, retail fixtures, décor changes, bathroom upgrades, etc.) to see what guests liked best to help us identify the elements that would drive traffic and generate acceptable returns. As part of this testing, we implemented remodel packages in 62 of our 650 stores, less than 10% of our fleet. Of the total number of stores in the remodel test, approximately half were very light "refreshes" and only four stores were remodeled in the more "modern" style that received negative coverage online and in the media.

Although the Board and management team understood that there could be different views regarding the new logo and the more “modern” store design and were prepared to address them, the public reaction went well beyond what could reasonably have been anticipated. There were inaccurate assertions made about the Company’s management and Board, as well as our intentions behind the logo and remodels, and these assertions were amplified (in some cases artificially) on social media channels and by multiple national media outlets in extraordinary ways until many of the claims bore no resemblance to our actual plans or actions. Addressing these false narratives remains one of the Company’s biggest short-term challenges.

With this background to provide additional context, below we address the specific questions you raised.

1. *Cost of Rebranding/Remodels.* The Company’s brand refinement efforts, a small part of which was the logo redesign, were part of our general marketing budget and reported on throughout fiscal 2025 in the marketing expense line item of our income statement. The Company’s marketing expenses include everything from advertising to in-store collateral, and they are in line with the marketing expenses of our competitive set. We have not broken out the logo costs separately, but they were not material.

With regard to our test remodel program, the Company has publicly disclosed that only \$23 million of our overall capital investment was directed toward the 62 remodels completed over the course of the last two fiscal years, in keeping with our “test and learn” commitment to shareholders referenced above.

2. *Motivations.* Our logo change and remodel tests were not motivated by any ideological or non-pecuniary considerations whatsoever. Rather, they were implemented because of our Board’s and management’s desire to improve the business and adapt to the evolving environment that we and other casual dining restaurants have faced in the post-pandemic era.
3. *Cost to Revert.* We have not comprehensively calculated the cost to revert to the “Old Timer” logo, but they are not material. Only the four more “modern” test remodels referenced above had to be retrofitted with signage, and we have worked with vendor partners and taken other steps to mitigate costs associated with collateral materials (paper supplies such as napkins and bags, retail products, billboard copy, etc.) that had the new logo.
4. *Risk Disclosure.* The Company expressly addressed the risks associated with our strategic plan in our public SEC filings and, by reference, our quarterly earnings presentations. For example, in our FY2024 Annual Report on Form 10-K filed with SEC on September 27,

2024, we called out specific risks associated with our strategic plan in Part I—Item 1A—“Risk Factors”, and, although we did not anticipate, and even in hindsight believe we reasonably could not have anticipated, the level of reaction on social media with respect to the logo change and remodels specifically, we also identified the risks associated with social media attacks more generally in our “Risk Factors” disclosure in the 2024 Form 10-K and other filings. Finally, we identified these and other risks more broadly in our forward-looking statements disclosure in the 2024 Form 10-K as well as in our earnings releases and other filings with the SEC since the announcement of the strategic plan in May 2024.

Again, we appreciate your engagement on these issues, and we would like to schedule time to discuss these topics, and any other concerns you may have, to enable you to reconsider voting for all of our directors at the upcoming Annual Meeting.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Carl Berquist', written in a cursive style.

Carl Berquist
Chairman of the Board

Cracker Barrel's 2015 "Word Only" Logo

