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Jack in the Box Inc. Unaudited Quarterly Non-GAAP Information

To supplement the consolidated financial statements, which are presented in accordance with GAAP, the company uses certain non-GAAP measures, including Adjusted EBITDA. Management believes that this measurement, when viewed with the company's results of operations in accordance with GAAP and the accompanying reconciliations, provide useful information about operating performance and period-over-period changes, and provides additional information that is useful for evaluating the operating performance of the company's core business without regard to potential distortions.

In the fourth quarter of fiscal year 2023, the Company made certain changes to the presentation of the Adjusted EBITDA measures to exclude amortization of cloud computing costs, net COLI losses (gains), and pension and post-retirement benefit costs. The following tables show these non-GAAP measures, and their reconciliations to the GAAP results for each quarter in fiscal year 2023 and 2022, respectively.

Adjusted EBITDA

Adjusted EBITDA represents net earnings on a GAAP basis excluding income taxes, interest expense, net, gains on the sale of company-operated restaurants, other operating expenses (income), net, depreciation and amortization, amortization of cloud computing costs, amortization of favorable and unfavorable leases and subleases, net, amortization of franchise tenant improvement allowances and incentives, net COLI losses (gains), and pension and post-retirement benefit costs. Adjusted EBITDA should be considered as a supplement to, not as a substitute for, analysis of results as reported under U.S. GAAP or other similarly titled measures of other companies. Management believes Adjusted EBITDA is useful to investors to gain an understanding of the factors and trends affecting the company's ongoing cash earnings, from which capital investments are made and debt is serviced. Below is a reconciliation of non-GAAP Adjusted EBITDA to the most directly comparable GAAP measure, net earnings (in thousands):

Fiscal Year 2023	16 weeks ended January 22, 2023	12 weeks ended April 6, 2023	12 weeks ended July 9, 2023	12 weeks ended October 1, 2023	52 weeks ended October 1, 2023
Net earnings - GAAP	$ 53,254	$ 26,507	$ 29,168	$ 21,897	$ 130,826
Income taxes	19,385	14,168	14,104	10,857	58,514
Interest expense, net	26,148	19,357	18,662	18,279	82,446
Gains on the sale of company-operated restaurants	(3,825)	(704)	(5,794)	(7,675)	(17,998)
Other operating expense (income), net (1)	(5,501)	2,980	7,656	5,702	10,837
Depreciation and amortization	19,402	14,598	14,460	13,827	62,287
Amortization of cloud-computing costs (2)	1,562	1,094	1,170	1,178	5,004
Amortization of favorable and unfavorable leases and subleases, net	533	826	76	198	1,633
Amortization of franchise tenant improvement allowances and incentives	1,216	1,022	1,057	1,352	4,647
Net COLI (gains) losses (3)	(5,724)	(844)	(579)	1,194	(5,953)
Pension and post-retirement benefit costs (4)	2,144	1,607	1,608	1,608	6,967
Adjusted EBITDA – non-GAAP	$ 108,594	$ 80,611	$ 81,588	$ 68,417	$ 339,210

Fiscal Year 2022	16 weeks ended January 23, 2022	12 weeks ended April 17, 2022	12 weeks ended July 10, 2022	12 weeks ended October 2, 2022	52 weeks ended October 2, 2022
Net earnings - GAAP	$ 39,270	$ 7,796	$ 22,857	$ 45,858	$ 115,781
Income taxes	14,190	3,897	9,237	18,787	46,111
Interest expense, net	20,187	26,481	19,703	19,704	86,075
Gains on the sale of company-operated restaurants	(48)	(810)	(802)	(2,218)	(3,878)
Other operating expense (income), net (1)	3,843	14,367	4,129	(21,450)	889
Depreciation and amortization	12,496	11,545	16,713	15,346	56,100
Amortization of cloud-computing costs (2)	1,210	1,305	1,366	1,235	5,116
Amortization of favorable and unfavorable leases and subleases, net	—	248	437	435	1,120
Amortization of franchise tenant improvement allowances and incentives	1,234	893	919	1,400	4,446
Net COLI (gains) losses (3)	445	2,136	4,585	2,745	9,911
Pension and post-retirement benefit costs (4)	93	70	70	70	303
Adjusted EBITDA – non-GAAP	$ 92,920	$ 67,928	$ 79,214	$ 81,912	$ 321,974

(1) Other operating expense (income), net includes: acquisition, integration and strategic initiatives; costs of closed restaurants; operating restaurant impairment charges; accelerated depreciation and gains (losses) on disposition of property and equipment, net.
(2) Amortization of cloud computing costs includes the amounts for the non-cash amortization of capitalized implementation costs related to cloud-based software arrangements that are included within selling, general and administrative expenses.
(3) Net COLI (gains) losses reflect market-based adjustments on the company-owned life insurance policies which support our non-qualified benefit plans.
(4) Pension and post-retirement benefit costs relating to our two legacy defined benefit pension plans, as well as the two legacy post-retirement plans.