To Our Shareholders

On November 6, 2025, we reported results for the second quarter of our 2026 fiscal year that ended September 28, 2025.

For the thirteen-week period ended September 28, 2025 (“second quarter fiscal 2026”):

- Revenues were \$45,687,000 as compared to \$41,109,000 during the thirteen weeks ended September 29, 2024;
- Income from operations was \$7,502,000 as compared to \$9,632,000 during the thirteen weeks ended September 29, 2024;
- Adjusted EBITDA[1], a non-GAAP financial measure, was \$8,280,000 as compared to \$10,350,000 during the thirteen weeks ended September 29, 2024;
- Income before provision for income taxes was \$7,021,000 as compared to \$8,099,000 during the thirteen weeks ended September 29, 2024;
- Net income was \$5,199,000 as compared to \$6,030,000 during the thirteen weeks ended September 29, 2024; and
- Earnings per diluted share was \$1.26 per share as compared to \$1.47 per share during the thirteen weeks ended September 29, 2024.

For the twenty-six weeks ended September 28, 2025 (“fiscal 2026”):

- Revenues were \$92,685,000 as compared to \$85,876,000 during the twenty-six weeks ended September 29, 2024;
- Income from operations was \$20,293,000 as compared to \$23,377,000 during the twenty-six weeks ended September 29, 2024;
- Adjusted EBITDA[1], a non-GAAP financial measure, was \$21,811,000 as compared to \$24,631,000 during the twenty-six weeks ended September 29, 2024;
- Income before provision for income taxes was \$19,278,000 as compared to \$20,883,000 during the twenty-six weeks ended September 29, 2024;
- Net income was \$14,127,000 as compared to \$15,307,000 during the twenty-six weeks ended September 29, 2024; and
- Earnings per diluted share was \$3.42 per share as compared to \$3.74 per share during the twenty-six weeks ended September 29, 2024.

License royalties decreased to \$21,608,000 during the twenty-six weeks ended September 28, 2025, (“fiscal 2026 period”), as compared to \$22,412,000 during the twenty-six weeks ended September 29, 2024. During the fiscal 2026 period, royalties earned under the retail agreement, including the foodservice program, from Smithfield Foods, Inc., decreased 4% to \$19,853,000 as compared to \$20,605,000 of royalties earned during the twenty-six weeks ended September 29, 2024.

In the Branded Product Program, which features the sale of Nathan’s hot dogs to the foodservice industry, sales increased by \$7,440,000 to \$58,122,000 during the fiscal 2026 period as compared to \$50,682,000 during the twenty-six weeks ended September 29, 2024. The volume of hot dogs sold by the Company increased by 3%. Our average selling price, which is partially correlated to the beef markets, increased by approximately 10% compared to the prior year period. Income from operations decreased by \$2,003,000 to \$1,194,000 during the fiscal 2026 period as compared to \$3,197,000 for the twenty-six weeks ended September 29, 2024, due primarily to a 16% increase in the cost of beef and beef trimmings.

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[1] EBITDA and Adjusted EBITDA are non-GAAP financial measures. Please see the definitions of EBITDA and Adjusted EBITDA on page 2 of this letter and the reconciliation of EBITDA and Adjusted EBITDA to net income in the table at the end of this release.

Sales from Company-owned restaurants were $9,610,000 during the fiscal 2026 period as compared to $9,547,000 during the twenty-six weeks ended September 29, 2024. Restaurant sales were impacted by higher sales at our Coney Island locations which were offset by lower sales at our locations in Oceanside and Yonkers, New York.

Revenues from franchise operations were $2,352,000 during the fiscal 2026 period as compared to $2,247,000 during the twenty-six weeks ended September 29, 2024. Total royalties were $2,139,000 during the fiscal 2026 period as compared to $2,047,000 during the twenty-six weeks ended September 29, 2024. Franchise restaurant sales increased by $1,982,000 to $38,316,000 as compared to $36,334,000 for the twenty-six weeks ended September 29, 2024.[2] Total franchise fee income, including cancellation fees, was $213,000 during the fiscal 2026 period as compared to $200,000 during the twenty-six weeks ended September 29, 2024. Fourteen franchised locations opened during the fiscal 2026 period.

During the fiscal 2026 period, we recorded Advertising Fund revenue of $993,000 and expense of $1,114,000.

During the fiscal 2026 period, the Board of Directors declared and paid two quarterly cash dividends of $0.50 per share totaling $4,089,000.

Effective November 6, 2025, the Board of Directors declared its quarterly cash dividend of $0.50 per share payable on December 5, 2025 to shareholders of record at the close of business on November 24, 2025.

Effective November 6, 2025, the Board of Directors declared a special cash dividend of $2.50 per share payable on December 5, 2025 to shareholders of record at the close of business on November 24, 2025.

Certain Non-GAAP Financial Information:

In addition to disclosing results that are determined in accordance with Generally Accepted Accounting Principles in the United States of America ("US GAAP"), the Company is disclosing EBITDA, a non-GAAP financial measure which is defined as net income, excluding (i) interest expense; (ii) provision for income taxes and (iii) depreciation and amortization expense. The Company is also disclosing Adjusted EBITDA, a non-GAAP financial measure which is defined as EBITDA, excluding (i) the loss on debt extinguishment and (ii) share-based compensation that the Company believes will impact the comparability of its results of operations.

The Company believes that EBITDA and Adjusted EBITDA are useful to investors to assist in assessing and understanding the Company's operating performance and underlying trends in the Company's business because EBITDA and Adjusted EBITDA are (i) among the measures used by management in evaluating performance and (ii) are frequently used by securities analysts, investors and other interested parties as a common performance measure.

EBITDA and Adjusted EBITDA are not recognized terms under US GAAP and should not be viewed as alternatives to net income or other measures of financial performance or liquidity in conformity with US GAAP. Additionally, our definitions of EBITDA and Adjusted EBITDA may differ from other companies. Analysis of results and outlook on a non-US GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with US GAAP. Please see the table at the end of this press release for a reconciliation of EBITDA and Adjusted EBITDA to net income.

[2] Franchise restaurant sales are not revenues of the Company and are not included in the Company’s Condensed Consolidated Financial Statements.

About Nathan's Famous

Nathan's is a Russell 2000 Company that currently distributes its products in 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and twenty foreign countries through its restaurant system, foodservice sales programs and product licensing activities. For additional information about Nathan's, please visit our website at www.nathansfamous.com.

Sincerely,

Eric Gatoff
Chief Executive Officer

Nathan's Famous, Inc. and Subsidiaries

(unaudited)

	Thirteen weeks ended		Twenty-six weeks ended	
	Sept. 28, 2025	Sept. 29, 2024	Sept. 28, 2025	Sept. 29, 2024
Financial Highlights				
Total revenues	$ 45,687,000	$ 41,109,000	$ 92,685,000	$ 85,876,000
Income from operations (a)	$ 7,502,000	$ 9,632,000	$ 20,293,000	$ 23,377,000
Net income	$ 5,199,000	$ 6,030,000	$ 14,127,000	$ 15,307,000
Net income per share:				
Basic	$ 1.27	$ 1.48	$ 3.45	$ 3.75
Diluted	$ 1.26	$ 1.47	$ 3.42	$ 3.74
Weighted-average shares used in computing net income per share:				
Basic	4,089,000	4,085,000	4,089,000	4,085,000
Diluted	4,130,000	4,095,000	4,127,000	4,092,000

Select Segment Information

Revenues				
Branded product program	$ 29,047,000	$ 24,536,000	$ 58,122,000	$ 50,682,000
Product licensing	9,227,000	9,491,000	21,608,000	22,412,000
Restaurant operations	6,847,000	6,522,000	11,962,000	11,794,000
Corporate (b)	566,000	560,000	993,000	988,000
Total revenues	$ 45,687,000	$ 41,109,000	$ 92,685,000	$ 85,876,000
Income from operations (c)				
Branded product program	$ (1,082,000)	$ 697,000	$ 1,194,000	$ 3,197,000
Product licensing	9,181,000	9,446,000	21,516,000	22,321,000
Restaurant operations	1,993,000	1,781,000	3,061,000	2,827,000
Corporate (d)	(2,590,000)	(2,292,000)	(5,478,000)	(4,968,000)
Income from operations (c)	$ 7,502,000	$ 9,632,000	$ 20,293,000	$ 23,377,000

(a) Excludes loss on debt extinguishment, interest expense, interest and dividend income, and other income, net.

(b) Represents Advertising Fund revenue.

(c) Excludes loss on debt extinguishment, interest expense, interest and dividend income, and other income, net which are managed centrally at the corporate level, and, accordingly, such items are not presented by segment since they are excluded from the measure of profitability reviewed by the Chief Operating Decision Maker.

(d) Consists principally of administrative expenses not allocated to the operating segments such as executive management, finance, information technology, legal, insurance, corporate office costs, incentive compensation, share-based compensation, compliance costs and the operating results of the Advertising Fund.

Nathan's Famous, Inc. and Subsidiaries
Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	Thirteen weeks ended		Twenty-six weeks ended	
	Sept. 28, 2025	Sept. 29, 2024	Sept. 28, 2025	Sept. 29, 2024
	(unaudited)		(unaudited)	
EBITDA				
Net income	$ 5,199,000	$ 6,030,000	$ 14,127,000	$ 15,307,000
Interest expense	739,000	1,441,000	1,497,000	2,501,000
Provision for income taxes	1,822,000	2,069,000	5,151,000	5,576,000
Depreciation and amortization	236,000	247,000	464,000	496,000
EBITDA	$ 7,996,000	$ 9,787,000	$ 21,239,000	$ 23,880,000
Adjusted EBITDA				
EBITDA	$ 7,996,000	$ 9,787,000	$ 21,239,000	$ 23,880,000
Loss on debt extinguishment	-	334,000	-	334,000
Share-based compensation	284,000	229,000	572,000	417,000
Adjusted EBITDA	$ 8,280,000	$ 10,350,000	$ 21,811,000	$ 24,631,000

Nathan's Famous, Inc. and Subsidiaries
Summary Balance Sheet Data

	Sept. 28, 2025 Unaudited	March 30, 2025
Assets		
Current assets	$ 55,416,000	$ 45,135,000
Property and equipment, net of accumulated depreciation	2,013,000	2,114,000
Operating lease right-of-use assets	4,242,000	4,987,000
Goodwill and intangible asset, net	530,000	617,000
Deferred income taxes	570,000	510,000
Other assets	96,000	113,000
Total assets	$ 62,867,000	$ 53,476,000
Liabilities and Stockholders' Deficit		
Current liabilities	$ 17,735,000	$ 16,764,000
Long-term debt, net of unamortized debt issuance costs	46,909,000	48,073,000
Long-term operating lease liabilities	2,631,000	3,528,000
Other liabilities	864,000	927,000
Deferred franchise fees	631,000	697,000
Stockholders' deficit	(5,903,000)	(16,513,000)
Total liabilities and stockholders' deficit	$ 62,867,000	$ 53,476,000