UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
(Mark One)
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 30, 2025
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

Commission File No. 001-35962

NATHAN'S FAMOUS, INC.
(Exact name of registrant as specified in its charter)

Delaware	11-3166443
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Jericho Plaza, Jericho, New York	11753
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code:	516-338-8500

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $.01 per share	NATH	The NASDAQ Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter – September 27, 2024- was approximately $229,609,000, which value, solely for the purposes of this calculation excludes shares held by the registrant's officers and directors. Such exclusion shall not be deemed a determination by registrant that all such individuals are, in fact, affiliates of the registrant.

As of June 5, 2025, there were outstanding 4,089,510 shares of Common Stock, par value $.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE– The information required by Part III, Items 10, 11, 12 and 13 is incorporated by reference from the registrant's definitive proxy statement for the 2025 Annual Meeting of Shareholders which is expected to be filed pursuant to Regulation 14A of the Securities Exchange Act of 1934 no later than 120 days after the conclusion of Nathan Famous, Inc.'s fiscal year ended March 30, 2025.

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. You can identify forward-looking statements because they contain words such as "believes", "expects", "projects", "may", "would", "should", "seeks", "intends", "plans", "estimates", "anticipates" or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements contained in this Form 10-K are based upon information available to us on the date of this Form 10-K.

Item 1. Business.

As used herein, unless we otherwise specify, the terms "we," "us," "our," "Nathan's," "Nathan's Famous" and the "Company" mean Nathan's Famous, Inc. and its subsidiaries. References to a year are to our fiscal year, unless the context requires otherwise. Our 2025 year commenced on April 1, 2024 and ended on March 30, 2025; and our 2024 year commenced on March 27, 2023 and ended on March 31, 2024.

We are a leading branded licensor, wholesaler and retailer of products marketed under our Nathan's Famous brand, including our popular Nathan's World Famous Beef Hot Dogs. What began as a nickel hot dog stand on Coney Island in 1916 has evolved into a highly recognized brand throughout the United States and the world. Our innovative business model seeks to maximize the points of distribution for and the consumption of Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries and our other products across a wide-range of grocery retail and foodservice formats. Our products are currently marketed for sale in approximately 79,000 locations, including supermarkets, mass merchandisers and club stores, selected foodservice locations and our Company-owned and franchised restaurants throughout the United States and in twenty foreign countries. The Company considers itself to be in the foodservice industry and has pursued co-branding initiatives within other foodservice environments. Our major channels of distribution are as follows:

- Our licensing program contracts with certain third parties to manufacture, distribute, market and sell a broad variety of Nathan's Famous branded products including our hot dogs, frozen crinkle-cut French fries and additional products through supermarkets, grocery channels and club stores throughout the United States. As of March 30, 2025, packaged Nathan's World Famous Beef Hot Dogs continued to be sold in supermarkets, mass merchandisers and club stores including Walmart, Kroger, Ahold, Publix, Albertsons, Safeway, ShopRite, Target, Sam's Club, Costco and BJ's Wholesale Club located in all 50 states. We earn revenue through royalties on products sold by our licensees.

- Our Branded Product Program provides foodservice operators in a variety of venues the opportunity to capitalize on our Nathan's Famous brand by marketing and selling certain Nathan's Famous hot dog and specialty products. We believe that the program has broad appeal to foodservice operators due to its flexibility to deliver our products to a wide variety of distribution channels. In conjunction with the program, foodservice operators are granted a limited use of the Nathan's Famous trademark, as well as Nathan's Famous point of purchase materials. Unlike our licensing and franchise programs, we do not generate revenue from royalties, but rather by selling our hot dog products either directly to foodservice operators or to various foodservice distributors who resell the products to foodservice accounts.

- Operating quick-service restaurants featuring Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries, and a variety of other menu offerings, which operate under the name "Nathan's Famous," the name first used at our original Coney Island restaurant which opened in 1916.

- Our franchised restaurant operations predominately feature a menu consisting of Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries and beverages as well as other items. We earn royalties on sales at these franchise locations and virtual kitchens (existing kitchens with no Nathan's Famous branded storefront presence, used to fill online orders for delivery). In addition to our traditional franchised restaurants and virtual kitchens, we enable approved foodservice operators to offer a Nathan's Famous menu of Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries, proprietary toppings and a limited menu of other Nathan's products through our Branded Menu Program ("BMP"). We earn royalties on Nathan's products purchased from Nathan's approved distributors by our BMP franchise operators.

We also own the Arthur Treacher's Fish & Chips brand and trademarks. We use the Arthur Treacher's Fish & Chips brand, products and trademarks as a branded seafood menu-line extension for inclusion in certain Nathan's Famous restaurants, as well as online platforms for third party delivery, such as UberEats, GrubHub and DoorDash.

Our Competitive Strengths

We believe that we benefit from the following competitive strengths:

Iconic Brand with Global Recognition

For over 100 years, we have cultivated Nathan's Famous into an iconic brand with global recognition. From our authentic origins on Coney Island to our popular Nathan's Famous International Hot Dog Eating Contest, the Nathan's Famous brand has become synonymous with premium hot dogs enjoyed throughout the year including cookouts, and July 4th celebrations. Over time, we have continued expanding the number and types of points of distribution for Nathan's Famous products by leveraging our highly recognizable brand.

The Frank of Choice

Since our beginnings as a nickel hot dog stand in 1916, we have focused on creating the best premium hot dog. Using premium cuts of meat, our proprietary spice mix and based on a recipe originally developed in 1916, our hot dogs have a unique flavor and texture that consumers are drawn to.

Our hot dogs have received numerous awards and recognition from critics and reviewers.

Recognition as an award-winning hot dog has strengthened our brand and created a devoted fan base. We believe that our high brand awareness allows us to sell hot dogs at a premium price compared to competing brands across all channels of distribution.

Multi-Channel Business Model Provides Diversified Revenue Streams

We believe that our flexible business model enables us to diversify across multiple channels of distribution and customers. Our products are distributed through supermarkets, mass merchandisers, club stores, Company-owned restaurants, franchised restaurants, virtual kitchens, food service distributors and other food service operators such as gas stations, movie theaters, amusement parks and sporting venues. We believe that there is potential to increase our sales by converting sales of non-branded products throughout the foodservice industry.

High Margin Licensing Revenue Streams

We earn stable and high-margin revenue through multiple licensing programs. Through licensing programs with such companies as Smithfield Foods, Inc., and Lamb Weston, Inc., over fifteen Nathan's Famous branded SKUs are sold through grocery retail channels. All of our licensing agreements combined produced $37,418,000 and $33,581,000 of high margin revenue for fiscal 2025 and 2024, respectively.

Business Strategies

Our primary strategies include the following:

Leverage Nathan's Famous brand and iconic products to grow sales – We believe that our brand is widely recognized by virtue of our long history and broad geographic footprint, which allows us to enjoy high consumer awareness in the United States and abroad and allows us the opportunity to grow in markets and channels where the brand is known but has not yet achieved optimal market penetration. Our highly visible brand and reputation for high quality products have allowed us to expand our food offerings beyond our signature hot dogs and command a premium price across our portfolio of products. Nathan's Famous continues to receive recognition for being a fan and industry favorite, and was named to Restaurant Business' Top 500 Chain Restaurants in 2024.

Retail licensing – We expect that our retail licensing program may continue to grow, centered around our licensing program with Smithfield Foods, Inc. Smithfield Foods, Inc. brings superior sales and marketing resources to our brand through its national scale, broad distribution platform, strong retail relationships and research and development infrastructure capable of developing and introducing new products. As a result of our partnership with Smithfield Foods, Inc., we expect Nathan's Famous products to continue penetrating the grocery, mass merchandising and club channels by expanding points of distribution in targeted, underpenetrated regions and through the development of new products. We believe Smithfield Foods, Inc. expects to continue to leverage this relationship with continued full-scale marketing efforts, both inside and outside of stores, highlighted by exciting customer events and brand representation and support of our Nathan's Famous International Hot Dog Eating Contests.

We may offer the licensing of other signature products to other qualified manufacturers.

Branded Products – We expect to continue the growth of our Branded Product Program through the addition of new accounts and venues. We believe that the flexible design of the Branded Product Program makes it well positioned for sales to all business channels in the broad foodservice industry. We intend to keep targeting sales to a broad line of foodservice distributors, which we believe complements our continuing focus on sales to various foodservice retailers. We continue to believe that as consumers look to brands and products with high standards, and integrity with the superior quality of the food that they purchase, there is potential to increase our sales by converting existing sales of non-branded products to Nathan's branded products throughout the foodservice industry.

Franchising – We expect to continue to market our franchise program and Branded Menu Program to large, experienced and successful operators with the financial and business capability to develop multiple franchise locations, as well as to individual-owner operators with evidence of restaurant management experience, net worth and sufficient capital. We also expect to continue developing master franchise programs in foreign countries.

Company-owned restaurants – We may selectively consider opening new Company-owned restaurants on an opportunistic basis. We may also consider new opportunities in both traditional and captive market settings.

Improve Company-owned restaurant profitability – In fiscal 2024 and fiscal 2025, our Company-owned restaurants were impacted by commodity and labor inflation. Additionally, on January 1, 2025, the minimum hourly wage in New York City, Long Island and Westchester increased from $16.00 to $16.50 impacting all of our Company-owned restaurants. We continue to focus on managing our expenses in the operation of our Company-owned restaurants, with a particular emphasis on cost of goods sold, including food costs, paper costs and labor costs while not sacrificing on overall quality and service that our customers expect. We continue to implement menu innovation along with pricing strategies to help mitigate inflationary pressures on our operations.

Advertising and promotion – The Company continues to focus its efforts using social media advertising to engage with our customers. We interact with fans on platforms including Facebook, Instagram and X (formerly known as Twitter). We also connect with our patrons through an email marketing program. Our marketing strategy focuses on our premium food offerings and limited time offerings to help drive sales and customer traffic. Our marketing calendar typically features ten to twelve promotional windows. Strategically, each promotion features new items and communicates the variety of our menu offerings. Promotions are supported by point of purchase materials which include stanchion signs, counter cards, indoor and outdoor banners, and window posters where applicable. We believe that menu innovation supported with new and creative advertising materials may drive increased guest frequency and enhance the customer experience.

Product development – The Company collaborates with its licensees on potential new product offerings. New products can increase revenue by expanding our customer base and continuing to build brand awareness.

Corporate History

We were incorporated in Delaware on July 10, 1992 under the name "Nathan's Famous Holding Corporation" to act as the parent of a Delaware corporation then-known as Nathan's Famous, Inc. On December 15, 1992, we changed our name to Nathan's Famous, Inc., and our Delaware subsidiary changed its name to Nathan's Famous Operating Corp. The Delaware subsidiary was organized in October 1989 in connection with its re-incorporation in Delaware from that of a New York corporation named "Nathan's Famous, Inc." The New York Nathan's was incorporated on July 10, 1925, as a successor to the sole-proprietorship that opened the first Nathan's restaurant in Coney Island in 1916.

Fiscal Year

Our fiscal year ends on the last Sunday in March, which will result in a 52 or 53 week year. The fiscal year ended March 30, 2025 was on the basis of a 52 week reporting period and the fiscal year ended March 31, 2024 was on the basis of a 53 week reporting period.

Restaurant Operations

Company-owned restaurants

As of March 30, 2025, we operated four Company-owned restaurants (including one seasonal unit), within the New York metropolitan area. Our seasonal location on the Coney Island Boardwalk was open from March 21, 2024 to November 3, 2024. It reopened for the summer season on March 28, 2025.

Three of our Company-owned restaurants range in size from approximately 3,500 square feet to 10,000 square feet and have seating to accommodate between 60 and 125 customers. These restaurants are open seven days a week on a year-round basis and are designed to appeal to consumers of all ages. We have established high standards for food quality, cleanliness, and service at our restaurants and regularly monitor the operations of our restaurants to ensure adherence to these standards.

Two of our Company-owned restaurants have contemporary service areas, seating, signage, and general decor. Our Coney Island restaurant, which first opened in 1916, remains unique in its presentation and operations.

Our Company-owned restaurants contributed $12,714,000 and $12,103,000 in revenue for fiscal 2025 and fiscal 2024, respectively. The average check at our Company-owned restaurants during the fiscal 2025 period increased by approximately 10% over the fiscal 2024 period.

Our Coney Island flagship location has been open for over 100 years and is the home of the annual Nathan's International Hot Dog Eating Contest, which has been broadcast on ESPN each 4th of July since 2004 and achieved more than one million viewers in fiscal 2025.

We continue to focus on digital and social media initiatives, as well as direct mail and point of purchase materials to enhance the customer experience; to increase customer traffic; and to promote off-premise capabilities. We believe that these initiatives play an important role in creating a more seamless and more efficient customer experience and meeting consumer expectations for speed and convenience.

Franchise Operations

At March 30, 2025, our franchise system, including our Branded Menu Program, consisted of 230 locations operating in 17 states and 12 foreign countries. It also included 143 virtual kitchens located in 25 states and 4 foreign countries. Our franchise operations contributed $4,148,000 and $4,356,000 in revenue for fiscal 2025 and fiscal 2024, respectively.

Our franchise system includes among its franchisees such well-known companies as Applegreen USA Welcome Centers, LLC, HMS Host, Areas USA, National Amusements, Inc., Hershey Entertainment & Resorts Company, Fifth Avenue Restaurant Group, Concessions International, Compass Group and Bruster's Real Ice Cream. We continue to seek out and to market our franchising programs to larger, experienced and successful operators with the financial and business capability to develop multiple franchise locations, as well as to individual owner-operators with evidence of restaurant management experience, net worth and sufficient capital.

During the fiscal 2025 period, no single franchisee accounted for over 10% of our consolidated revenue. At March 30, 2025, Applegreen USA Welcome Centers, LLC operated seven franchised locations within highway travel plazas and HMS Host operated four franchised locations, including three units at airports, and one unit within a mall. Additionally, 37 mobile carts were registered to operate in New York, NY. Nine Bruster's Real Ice Cream shops were selling Nathan's products under our Branded Menu Program.

During the fiscal 2025 period, 25 franchised locations opened, including 16 Branded Menu Program locations. Additionally, 25 franchised locations closed, including 11 Branded Menu Program locations.

Nathan's Famous Concept and Menus

Our Nathan's Famous concept is scalable, offering a wide range of facility designs and sizes, suitable to a vast variety of locations, featuring a core menu consisting of Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries and beverages. Nathan's menu is designed to take advantage of site-specific market opportunities by adding complementary food items to the core menu. The Nathan's concept is suitable to stand-alone or can be co-branded with other nationally recognized brands.

Nathan's World Famous Beef Hot Dogs are flavored with our secret blend of spices created by Ida Handwerker in 1916, which historically have distinguished Nathan's World Famous Beef Hot Dogs from other hot dogs. Our hot dogs are prepared and served in accordance with procedures which have not varied significantly since our inception over 100 years ago in our Company-owned and franchised restaurants. Our signature crinkle-cut French fries are featured at each Nathan's restaurant. We believe the majority of sales in our Company-owned restaurants consist of Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries and beverages.

Nathan's restaurants supplement their core menu items with a variety of other quality menu choices including our fresh angus hamburgers and our hand-dipped chicken. We have historically used the Arthur Treacher's Fish & Chips brand, products and trademarks as a branded seafood menu-line extension for inclusion in certain Nathan's Famous restaurants. Additionally, Nathan's restaurants sell a variety of promotional items on a limited time basis.

Nathan's restaurant designs are available in a range of sizes from 300 to 4,000 square feet. We have also developed various kiosks, mobile food carts and trucks, and modular units. Our smaller units may not have customer seating areas, although they may often share seating areas with other fast food or quick service outlets in food court settings. Other units generally provide seating for 45 to 125 customers. Carts, kiosks and modular units generally carry only the core menu. Our food trucks may carry the full Nathan's Famous menu.

We believe that carts, kiosks, modular units and food court designs are particularly well-suited for placement in non-traditional sites, such as airports, travel plazas, stadiums, schools, convenience stores, entertainment facilities, military facilities, business and industry foodservice, within larger retail operations and other captive markets. Many of these settings may also be appropriate for expanding our Branded Menu Program or Branded Product Program. All of these units feature Nathan's Famous branding and a contemporary design.

Nathan's Standard Franchise Program

Franchisees are required to execute a standard franchise agreement prior to opening each Nathan's Famous location. Our current standard Nathan's Famous franchise agreement provides for, among other things, a one-time $30,000 franchise fee payable upon execution of the agreement, a monthly royalty payment based on 5.5% of restaurant sales and the expenditure of up to 2.5% of restaurant sales on advertising. The initial term of the typical franchise agreement is 10 years, with a 5-year renewal option by the franchisee, subject to conditions contained in the franchise agreement. We may offer alternatives to the standard franchise agreement, having to do with the term, franchise royalties, fees or advertising requirements.

Franchisees are approved on the basis of their business background, evidence of restaurant management experience, net worth and capital available for investment in relation to the proposed scope of the development agreement.

We provide numerous support services to our Nathan's Famous franchisees. We assist in and approve all site selections. Thereafter, we provide architectural plans suitable for restaurants of varying sizes and configurations for use in food court, in-line and free-standing locations. We also assist in establishing building design specifications, reviewing construction compliance, equipping the restaurant and providing appropriate menus to coordinate with the restaurant design and location selected by the franchisee. We do not employ personnel on behalf of franchisees.

We offer various training courses for management personnel of Company-owned and franchised restaurants. A restaurant manager from each restaurant must successfully complete our mandated management training program. We also offer additional operations and general management training courses for all restaurant managers and other managers with supervisory responsibilities. We provide standard manuals to each franchisee covering training and operations, products and equipment and local marketing programs. We also provide ongoing advice and assistance to franchisees. We meet with our franchisees to discuss upcoming marketing events, menu development and other topics, each of which is designed to provide individual restaurant and system-wide benefits.

Franchised restaurants are required to be operated in accordance with uniform operating standards and specifications relating to the selection, quality and preparation of menu items, signage, decor, equipment, uniforms, suppliers, maintenance and cleanliness of premises and customer service. All standards and specifications are developed by us to be applied on a system-wide basis. We regularly monitor franchisee operations and inspect restaurants. Franchisees are required to furnish us with monthly sales or operating reports which assist us in monitoring the franchisee's compliance with its franchise agreement. We make both announced and unannounced inspections of restaurants to review operations, including quality, service and cleanliness and to ensure that our practices and procedures are followed. We have the right to terminate a franchise if a franchisee does not operate and maintain a restaurant in accordance with the requirements of its franchise agreement, including for non-payment of royalties, sale of unauthorized products, bankruptcy or conviction of a felony.

A franchisee who desires to open multiple locations in a specific territory within the United States may enter into an area development agreement under which we would expect to receive an area development fee based upon the number of proposed locations which the franchisee is authorized to open. With respect to our international development, we generally grant exclusive territorial rights in foreign countries for the development of Nathan's locations based upon compliance with a predetermined development schedule. Additionally, we may further grant exclusive manufacturing and distribution rights in foreign countries, and we may require an exclusivity fee to be conveyed for such exclusive rights.

Nathan's Branded Menu Program

Our Nathan's Famous Branded Menu Program enables qualified foodservice operators to offer a Nathan's Famous menu of Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries, proprietary toppings, and a limited menu of other Nathan's products. Under the Branded Menu Program, the operator may use the Nathan's Famous trademarks on signage and as part of its menu boards. Additionally, the operator may use Nathan's Famous paper goods and point of sale marketing materials. Nathan's also provides architectural and design services, training and operation manuals in conjunction with this program. The operator provides Nathan's with a fee and is required to sign a five-year agreement. We may offer alternatives to the term of the typical Branded Menu Program agreement. Nathan's does not collect a royalty based on the operator's sales and the operator is not required to report sales to Nathan's as required by the standard franchise arrangements. Instead, the Branded Menu Program operator is required to purchase products from Nathan's approved distributors and we earn our royalties from such purchases.

Arthur Treacher's Fish & Chips

Arthur Treacher's Fish-n-Chips, Inc. was originally founded in 1969. Arthur Treacher's main product is its "Original Fish-n-Chips," consisting of fish fillets coated with a special batter prepared under a proprietary formula, deep-fried golden brown, and served with English-style chips and corn meal "hush puppies."

As of March 30, 2025, Arthur Treacher's, as a co-brand, was included within 27 Nathan's Famous restaurants. Additionally, there are four Arthur Treacher's BMP locations.

International Development

As of March 30, 2025, Nathan's Famous franchisees operated 72 locations in 12 foreign countries.

Through separate licensed manufacturing agreements, Nathan's World Famous Beef Hot Dogs are currently manufactured in Brazil, Germany, Egypt and the United Arab Emirates.

We continue to pursue international expansion opportunities. During fiscal 2025, we opened five franchised locations in Brazil.

We may seek to continue granting exclusive territorial rights for franchising and for the manufacturing and distribution rights in foreign countries, and we expect to require that an exclusivity fee be conveyed for these rights. We plan to develop the restaurant franchising system internationally through the use of master franchising agreements based upon individual or combined use of our existing restaurant concepts and for the distribution of Nathan's products.

The following table is a summary of our international operations for the fiscal years ended March 30, 2025 and March 31, 2024: See Item 1A-"Risk Factors."

	March 30, 2025	March 31, 2024
Total revenue	**$ 3,864,000**	$ 5,405,000
Gross profit (a)	**$ 1,136,000**	$ 1,308,000

(a) Gross profit represents the difference between revenue and cost of sales.

Location Summary

The following table shows the number of our Company-owned and franchised restaurants in operation at March 30, 2025 and their geographical distribution:

Domestic Locations	Company	Franchise (1)	Total (1)
Connecticut	-	3	3
Florida	-	21	21
Georgia	-	3	3
Kentucky	-	1	1
Maryland	-	1	1
Massachusetts	-	4	4
Missouri	-	1	1
Nevada	-	7	7
New Jersey	-	21	21
New York	4	75	79
North Carolina	-	4	4
Ohio	-	1	1
Pennsylvania	-	8	8
Rhode Island	-	2	2
South Carolina	-	4	4
Texas	-	1	1
Virginia	-	1	1
Domestic Subtotal	4	158	162

International Locations	Company	Franchise (1)	Total (1)
Brazil	-	8	8
Dominican Republic	-	6	6
Egypt	-	3	3
France	-	8	8
Kazakhstan	-	3	3
Mexico	-	2	2
Panama	-	4	4
Philippines	-	4	4
Spain	-	1	1
Ukraine (2)	-	27	27
United Arab Emirates	-	4	4
United Kingdom	-	2	2
International Subtotal	-	72	72
Grand Total	4	230	234

(1) Units operating pursuant to our Branded Product Program and our virtual kitchens are excluded.
(2) Two locations are temporarily closed due to construction.

Branded Product Program

Our Branded Product Program contributed $91,828,000 and $86,489,000 in revenue in fiscal 2025 and fiscal 2024, respectively. The total volume of hot dogs sold in the Branded Product Program achieved its highest levels in fiscal 2025 topping the previous volume records established in fiscal 2024.

In fiscal 2025, we continued to experience inflationary pressures on commodity prices, including beef and beef trimmings. Our average cost of hot dogs during fiscal 2025 was approximately 7% higher than during fiscal 2024. Our average cost of hot dogs during fiscal 2024 was approximately 10% higher than fiscal 2023. We are unable to predict the future cost of our hot dogs and expect to experience price volatility for our beef products during fiscal 2026.

As of March 30, 2025, the Branded Product Program distributed product in all 50 states, the District of Columbia, Puerto Rico, Canada, the U.S. Virgin Islands, Guam and Mexico. Pursuant to the Branded Product Program, Nathan's World Famous Beef Hot Dogs are being offered in national restaurant chains such as Auntie Anne's, Johnny Rockets, Cheesecake Factory, Beef 'O' Brady's and Lazy Dog; national movie theater chains such as Regal Entertainment and National Amusements; amusement parks such as Universal Studios, Disneyland California and Herschend Family Entertainment; casino hotels such as Foxwoods Casino in Connecticut; convenience store chains such as RaceTrac; and golf courses and country clubs. The Branded Product Program also distributes product in professional sports arenas with Nathan's World Famous Beef Hot Dogs being served in stadiums and arenas that host the New York Yankees, New York Mets, Tampa Bay Rays, Brooklyn Nets, Dallas Cowboys, and Green Bay Packers.

Additionally, our products are offered in numerous other foodservice operations including business office cafeterias, snack bars and vending machines located in many different types of foodservice outlets and venues, including airports, highway travel plazas, colleges and universities, gas and convenience stores, military installations, and Veterans Administration hospitals throughout the United States.

Nathan's expects to continue to seek out and evaluate a variety of alternative environments designed to maximize and to grow our Branded Product Program.

Licensing Program

Pursuant to an agreement expiring in March 2032, Smithfield Foods, Inc., has been granted, among other things, (i) the exclusive right and obligation to manufacture, distribute, market and sell "Nathan's Famous" branded hot dogs, and sausages in refrigerated consumer packages to be resold through retail channels (e.g., supermarkets, groceries, mass merchandisers and club stores) within the United States, (ii) a right of first offer to license any other "Nathan's Famous" branded refrigerated meat products in consumer packages to be resold through retail channels within the United States, on terms to be negotiated in good faith, (iii) the right and obligation to manufacture "Nathan's Famous" branded hot dog and sausage products in bulk for use in the food service industry within the United States, and (iv) the non-exclusive right and obligation to supply "Nathan's Famous" natural casing and skinless hot dogs in bulk for use in the "Nathan's Famous" restaurant system within the United States. The agreement provides for royalties on packaged products sold to supermarkets, club stores and grocery stores, payable on a monthly basis to the Company equal to 10.8% of net sales, subject to minimum annual guaranteed royalties. Pursuant to this agreement, Nathan's earned royalties of approximately $31,869,000 in fiscal 2025 and $28,456,000 in fiscal 2024 representing approximately 22% and 21% of total revenues, respectively. We believe our future operating results will continue to be substantially impacted by the terms and conditions of the agreement with Smithfield Foods, Inc., but there can be no assurance thereof (See Item 1A - "Risk Factors"). Smithfield Foods, Inc. has also licensed from us the right to manufacture and sell branded hot dogs and sausages to select foodservice accounts. Pursuant to this arrangement, we earned royalties of $1,720,000 and $1,611,000 during the fiscal 2025 and 2024 periods, respectively. The majority of these royalties were earned from one company. As of March 30, 2025, packaged Nathan's World Famous Beef Hot Dogs continued to be sold in supermarkets, mass merchandisers and club stores including Walmart, Kroger, Ahold, Publix, Albertsons, Safeway, ShopRite, Target, Sam's Club, Costco and BJ's Wholesale Club located in all 50 states. We believe that the overall exposure of the brand and opportunity for consumers to enjoy the Nathan's World Famous Beef Hot Dog in their homes helps promote "Nathan's Famous" restaurant patronage. Royalties earned under the retail agreement, including the foodservice program, were approximately 90% of our fiscal 2025 period license revenues.

We license the manufacture of the proprietary spices which are used to produce Nathan's World Famous Beef Hot Dogs to Saratoga Specialties, Inc., a wholly-owned subsidiary of Solina. During fiscal 2025 and 2024, we earned royalties of $1,559,000 and $1,371,000, respectively, from this license. Through this agreement, we control the manufacture of all "Nathan's Famous" branded hot dogs.

During fiscal 2025, our licensee, Lamb Weston Holdings, Inc., continued to produce and distribute Nathan's Famous frozen crinkle-cut French fries and onion rings. These products were distributed within 41 states during fiscal 2025. During fiscal 2025 and 2024, we earned royalties of $1,649,000 and $1,528,000, respectively, under this agreement. Lamb Weston, Inc. exercised its fourth option to extend the license agreement through July 2028, pursuant to which the minimum royalties will increase 5% annually.

During fiscal 2025, our licensee, Bran-Zan Holdings, LLC continued to produce and distribute miniature bagel dogs, franks-in-a-blanket, mozzarella sticks, corn dog nuggets, other hors d'oeuvres and bottled mustard through club stores, supermarkets, and other retail food stores. During fiscal 2025 and 2024, we earned royalties of $350,000 and $296,000, respectively, under this agreement.

During fiscal 2025, our licensee, Hermann Pickle Packers, Inc. continued to produce and distribute Nathan's Famous pickles. During fiscal 2025 and 2024, we earned royalties of $271,000 and $319,000, respectively, under this agreement.

Provisions and Supplies

Nathan's World Famous Beef Hot Dogs are primarily manufactured by Smithfield Foods, Inc. for sale at retail, for our Branded Product Program and for our restaurant system. Smithfield Foods, Inc. and another hot dog manufacturer supply the hot dogs for our Company-owned and franchised restaurants. All hot dogs are manufactured in accordance with Nathan's recipes, quality standards and proprietary spice formulations. Nathan's believes that it has reliable sources of supply; however, in the event of any significant disruption in supply, management believes that alternative sources of supply are available. (See Item 1A- "Risk Factors"). Saratoga Specialties, Inc,. a wholly-owned subsidiary of Solina, produces Nathan's proprietary spice formulations. In the past, we engaged Newly Weds Foods, Inc. as an alternative source of supply. Our frozen crinkle-cut French fries have been produced primarily by Lamb Weston, Inc.

Most other Company provisions are purchased from multiple sources to prevent disruption in supply and to obtain competitive prices. We approve all products and product specifications. We negotiate directly with our suppliers on behalf of the entire system for all primary food ingredients and beverage products sold in the restaurants in an effort to ensure adequate supply of high-quality items at competitive prices.

We currently utilize a cooperative distribution system pursuant to an agreement with National Distribution Alliance, a UniPro Solutions Company, which is comprised of institutional food and non-food distributors organized to procure, distribute, and market food service and non-food merchandise for the distribution needs of our domestic restaurant system. The initial term of the agreement was for five years through November 15, 2022. The agreement was subsequently amended and extended through June 30, 2027. We believe this arrangement allows for more flexibility in expanding into new markets throughout the United States, as well as proves to be cost efficient for our current franchisees. The strategic distribution partners under this agreement include: DiCarlo Distributors, Inc., Tapia Brothers Company and Feesers, Inc. Our branded products are delivered to our ultimate customers throughout the country by numerous distributors, including US Foodservice, Inc., SYSCO Corporation, Performance Food Group Company, McLane Company, Inc. and DOT Foods.

Marketing, Promotion and Advertising

Nathan's believes that an integral part of its brand marketing strategy is to continue to build brand awareness through its complimentary points of distribution strategy of selling its signature products through Company-owned and franchised restaurants (including virtual kitchens), the Branded Product Program, the Branded Menu Program, and through retail grocery channels including supermarkets, mass merchandisers and club stores. We believe that as we continue to build brand awareness and expand our reputation for quality and value, we will continue to seek to grow existing markets and expand into new markets. The Nathan's Famous brand continues to enjoy tremendous exposure and awareness from our Nathan's Famous International Hot Dog Eating Contests. In 2024, we held regional contests in Grand Rapids, Michigan; Cleveland, Ohio; San Francisco, California, and Washington D.C. We also held our first international contest in Selsey, England. In 2025, we expect to hold regional contests in Hershey Park, Pennsylvania; Lake Compounce, Connecticut; Cleveland, Ohio; Shawnee, Kansas; Pleasanton, California; and Washington, D.C. These regional contests culminate on July 4th as the regional champions meet at our flagship restaurant in Coney Island for the international championship.

Nathan's Famous continues to look to sports sponsorships as a strategic marketing opportunity to further brand recognition. In addition to the branded signage opportunity, Nathan's sells its Nathan's World Famous Beef Hot Dogs and crinkle-cut French fries. In many venues, Nathan's World Famous Beef Hot Dogs and crinkle-cut French fries are sold at Nathan's concession stands and as menu items that are served in suites and throughout premium seating areas. Our current professional sports sponsorships include:

- Baseball: Yankee Stadium – New York Yankees; Citi Field – New York Mets; Tropicana Field – Tampa Bay Rays (temporarily relocated to Steinbrenner Field due to damage sustained by Hurricane Milton in October 2024); and

- Basketball: The Barclays Center – Brooklyn Nets; and

- Football: AT&T Stadium – Dallas Cowboys; Lambeau Field – Green Bay Packers.

We believe that the Company's overall sales and exposure have been complemented by the sales of Nathan's World Famous Beef Hot Dogs and other Nathan's products through the publicity generated by our International Hot Dog Eating Contests and our affiliation with a number of high profile sports arenas. In addition to marketing our products at these venues, the Nathan's Famous brand has also been televised regionally, nationally and internationally.

We maintain an advertising fund for local, regional and national advertising under the Nathan's Famous Systems, Inc. Franchise Agreement. Nathan's Famous franchisees are generally required to spend on local marketing activities or contribute to the advertising fund up to 2.5% of restaurant sales for advertising and promotion. Franchisee contributions to the advertising fund for national marketing support are generally based upon the type of restaurant and its location. The difference, if any, between 2.5% and the contribution to the advertising fund are to be expended on local programs approved by us as to form, content and method of dissemination. Certain franchisees, including those operating pursuant to our Branded Menu Program were not obligated to contribute to the advertising fund during fiscal 2025. Some vendors that supply products to the Company and our restaurant system also contribute to the advertising fund based upon purchases made by our franchisees and our Company-owned restaurants.

In fiscal 2025, Nathan's marketing efforts were largely focused on the annual July 4th International Hot Dog Eating Contest and its sports sponsorships, as well as digital and social media to promote the brand, to drive awareness of menu offerings, and to generate traffic. This past year there was an increased emphasis on point of purchase materials and updating menu boards to showcase new and existing menu items.

Nathan's marketing efforts include employing an "always on" social media strategy to support the brand and franchise operations through our centralized brand presence. The social media objectives include increasing our reach among our core customer base, while building brand awareness amongst the engaged younger generation.

The objective of our Branded Product Program has historically been to seek to provide our foodservice operator customers with value-added, premium quality products supported with differentiated point of sale materials and other forms of operational support.

During fiscal 2025, Nathan's marketing efforts for the Branded Product Program concentrated primarily on participation in national industry trade shows, as well as regional and local distributor trade events. We have also advertised our products in distributor and trade periodicals. New arrangements with Branded Product Program points of sale are achieved through the combined efforts of Company personnel and a network of foodservice brokers and distributors who are also responsible for direct sales to national, regional and "street" accounts.

During fiscal 2026, we may seek to further expand our internal marketing resources along with our network of foodservice brokers and distributors. We may attempt to emphasize specific venues as we expand our broker network, focus management and broker responsibilities on a regional basis and expand the use of sales incentive programs. We continue to expand our use of Facebook, Instagram and X (formerly known as Twitter).

Human Capital

As of March 30, 2025, the Company employed 131 people, 30 of whom were corporate management and administrative employees, 18 of whom were restaurant managers and 83 of whom were hourly full-time and part-time foodservice employees.

As of March 30, 2025, approximately 44% of our employees were female and approximately 68% of our employee population were comprised of racial and ethnic minorities.

We generally employ approximately 240-250 seasonal employees during the spring and summer months. Food service employees at two Company-owned restaurants are currently represented by Local 1102 RWSDU UFCW AFL-CIO, CLC, Retail, Wholesale and Department Store Union, under an agreement that expires on June 30, 2026. Employees at a third Company-owned restaurant are represented by the same union pursuant to a different agreement that expires on November 30, 2025.

Culture and Diversity

Creating and fostering inclusive work environments and teams allows us to create an engaging and welcoming culture for our employees, which we believe positively affects the quality of products and experience we deliver to our customers.

The Company works to ensure our recruiting and hiring initiatives are reaching a broad audience, so that our workforce represents the communities in which we serve. We seek to provide opportunities for growth and development at all levels of our organization.

Our workforce represents nearly all demographics, with diversity in age, race, ethnicity and gender. Specifically, more employees identify as racial and ethnic minorities, than white.

We are committed to high standards of ethical, moral and legal business conduct and strive to be an open and honest workplace, providing a positive work environment. To support this commitment, we have a Code of Conduct that provides clear direction for behavioral expectations. We also provide annual training on sexual harassment. In addition, we maintain an anonymous hotline, which includes an 800 number where our employees can report theft or fraudulent behavior.

Compensation and Benefits

The Company is committed to providing market-competitive and equitable pay and benefits to attract and retain great talent regardless of gender or ethnicity. In addition to competitive hourly rates and base salaries, all management employees at our Company-owned restaurants are eligible for performance-based cash incentive bonuses based on the attainment of certain financial metrics, along with all corporate management and administrative employees, at the discretion of our Board of Directors.

The Company attempts to provide a range of benefits to its corporate and nonunion employees and their families, including medical and prescription drug, dental and vision, long-term disability coverage, as well as a 401(k) savings plan and flexible spending accounts. The Company has historically matched contributions to its 401(k) savings plan at a rate of $0.25 per dollar contributed by the employee up to a maximum of 3% of the employee’s annual salary. The Company pays the union medical and pension benefits on behalf of the union employees.

Talent Development

We offer various management training courses for management personnel of our Company-owned and franchised restaurants. A restaurant manager from each restaurant must successfully complete our mandated management training program.

Workplace Safety

We are committed to providing safe work environments and providing our employees with the resources they need to promote their well-being. We are also committed to providing a safe and healthy environment for our restaurant patrons. We remain focused on quality and cleanliness by reviewing cleaning procedures at our Company-owned restaurants and maintaining an adequate supply of cleaning materials. We promote a culture of safety awareness and strive to provide an environment that is free of hazards and prevents accidents or injuries.

Government Regulation

We are subject to a Federal Trade Commission ("FTC") regulation and several state laws that regulate the offer and sale of franchises. We are also subject to a number of state laws which regulate substantive aspects of the franchisor-franchisee relationship.

The FTC's "Trade Regulation Rule Concerning Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" (the "FTC Franchise Rule") requires us to disclose certain information to prospective franchisees. Fifteen states, including New York, also require similar disclosure. While the FTC Franchise Rule does not require registration or filing of the disclosure document at the federal level, 14 states require franchisors to register the disclosure document (or obtain exemptions from that requirement) before offering or selling a franchise in that state. The laws of 17 other states require some form of registration (or a determination that a company is exempt or otherwise not required to register) under "business opportunity" laws, which sometimes apply to franchisors such as the Company. These laws have not precluded us from seeking or awarding franchisees in any given area.

Laws that regulate one or another aspect of the franchisor-franchisee relationship presently exist in 24 states as well as Puerto Rico and the U.S. Virgin Islands. These laws regulate the franchise relationship by, for example, requiring the franchisor to deal with its franchisees in good faith, prohibiting interference with the right of free association among franchisees, limiting the imposition of standards of performance on a franchisee, and regulating discrimination among franchisees. Although these laws may also restrict a franchisor in the termination of a franchise agreement by, for example, requiring "good cause" to exist as a basis for the termination, advance notice to the franchisee of the termination, an opportunity to cure a default, and repurchase of inventory or other compensation, these provisions have not had a significant effect on our operations. Our international franchise operations are subject to franchise-related and other laws in the jurisdictions in which our franchisees operate. These laws in the United States and overseas have not precluded us from enforcing the terms of our franchise agreements, and we do not believe that these laws are likely to significantly affect our operations. We do not believe that current geopolitical events (including the Russia-Ukraine conflict and the Israel-Hamas conflict) have had or will have a serious impact on our operations.

We are not aware of any pending franchise legislation in the United States that we believe is likely to significantly affect our operations.

Each Company-owned and franchised restaurant is subject to regulation as to operational matters by federal agencies and to licensing and regulation by state and local health, sanitation, safety, fire, and other departments. An inability to obtain or retain health department or other licenses could adversely affect our operations.

We are subject to the Federal Fair Labor Standards Act and various other federal and state laws that govern minimum wages, overtime, working conditions, mandatory benefits, health insurance, and other matters. Other regulatory interpretations (such as the National Labor Relations Board's review of joint employment standards under the National Labor Relations Act, the Labor Department's review of the Fair Labor Standards Act, the Small Business Administration's review of independence standards applicable to reviewing franchisee loan applications, etc.) may have an impact on our overall business as well, although we do not believe that these will significantly affect our operations.

Governmental authorities have placed an increased focus on environmental matters, particularly in the area of climate change. We cannot predict the precise nature of these initiatives. However, we expect that they may impact our business both directly and indirectly. There is a possibility that government initiatives, as well as the actual or perceived risks of climate change, could have an impact on our business, which we cannot predict at this time (see Item 1A – "Risk Factors").

We are also subject to federal and state environmental regulations, which have not had a material effect on our operations. More stringent and varied requirements of local governmental bodies with respect to zoning, land use and environmental factors could delay or prevent development of new restaurants in particular locations. In addition, the federal Americans with Disabilities Act of 1990 applies with respect to the design, construction, and renovation of all restaurants in the United States.

Each company that manufactures, supplies, or sells our products is subject to regulation by federal agencies and to licensing and regulation by state and local health, sanitation, safety, and other departments.

We may be subject to governmental imposed restrictions on our restaurant operations to reduce the spread of viruses, such as those previously experienced as a result of the COVID-19 pandemic. Those formal and informal restraints, as well as consumer behavior and other factors (such as supply chain issues), may have a material impact on our ability to operate our business at least while those restrictions are in effect, which may possibly have a longer-term impact on our business and the demand for our products and restaurant services.

We are also subject to the requirement that our restaurants post certain calorie content information for standard menu items, pursuant to Section 4205 of the Patient Protection and Affordable Care Act of 2010. Some of our restaurants are subject to similar requirements that are imposed by certain localities around the country.

Alcoholic beverage control regulations require that each restaurant that sells such products apply to a state authority and, in certain locations, county and municipal authorities, for a license or permit to sell alcoholic beverages on the premises. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of the daily operations of the restaurants, including minimum age of customers and employees, hours of operation, advertising, wholesale purchasing, inventory control and handling, storage and dispensing of alcoholic beverages. Our four Company-owned restaurants offer beer or wine coolers for sale. Each of these restaurants has current alcoholic beverage licenses permitting the sale of these beverages. We have never had an alcoholic beverage license revoked**.**

We may be subject in certain states to "dram-shop" statutes, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment which wrongfully served alcoholic beverages to such person. We carry liquor liability coverage as part of our existing comprehensive general liability insurance to mitigate this risk and have never been named as a defendant in a lawsuit involving "dram-shop" statutes.

The Sarbanes-Oxley Act of 2002, the Dodd-Frank Act of 2010, and rules promulgated thereunder by the Securities and Exchange Commission ("SEC") and the Nasdaq Stock Market have imposed substantial regulations and disclosure requirements in the areas of corporate governance (including director independence, director selection and audit, corporate governance and compensation committee responsibilities), equity compensation plans, auditor independence, pre-approval of auditor fees and services and disclosure and internal control procedures. We are committed to industry best practices in these areas.

We believe that we operate in substantial compliance with applicable laws and regulations governing our operations, including the FTC Franchise Rule and state franchise laws.

Trademarks

We hold trademark and/or service mark registrations for NATHAN'S, NATHAN'S FAMOUS, NATHAN'S FAMOUS and design, SINCE 1916 NATHAN'S FAMOUS and design, SINCE 1916 NATHAN'S FAMOUS, INC. and design, THE ORIGINAL SINCE 1916 NATHAN'S FAMOUS and design, SINCE 1916 NATHAN'S FAMOUS THIS IS THE ORIGINAL, THE ORIGINAL NATHAN'S FAMOUS, SINCE 1916 NATHAN'S FAMOUS and hot dog design in color, SINCE 1916 NATHAN'S FAMOUS and hot dog, fries and drink design in color, and NATHAN'S FAMOUS EXPRESS within the United States, with some of these marks holding corresponding foreign trademark and service mark registrations in over 80 international jurisdictions, including Canada and China. We also hold various package design registrations and other related marks, FROM A HOT DOG TO AN INTERNATIONAL HABIT, and MORE THAN JUST THE BEST HOT DOG! and design, for restaurant services and some food items.

We hold trademark and/or service mark registrations for the marks ARTHUR TREACHER'S (stylized), ARTHUR TREACHER'S FISH & CHIPS (stylized), KRUNCH PUP and ORIGINAL within the United States. We hold service mark registrations for ARTHUR TREACHER'S in China and Japan. We also hold service mark registrations for ARTHUR TREACHER'S FISH & CHIPS in Canada, ARTHUR TREACHER'S FISH & CHIPS and design in Canada and Mexico, and ARTHUR TREACHER'S FISH & CHIPS and design in Colombia, Costa Rica, Kuwait, Malaysia, Singapore and the United Arab Emirates.

Our trademark and service mark registrations were granted and expire on various dates. We believe that these trademarks and service marks provide significant value to us and are an important factor in the marketing of our products and services. We believe that we do not infringe on the trademarks or other intellectual property rights of any third parties.

Seasonality

Our routine business pattern is affected by seasonal fluctuations, including the effects of weather and economic conditions. Historically, sales from our Company-owned restaurants, principally at Coney Island, and franchised restaurants from which franchise royalties are earned and the Company's earnings have been highest during our first two fiscal quarters, with the fourth fiscal quarter typically representing the slowest period. Routine seasonality is primarily attributable to weather conditions in the marketplace for our Company-owned and franchised restaurants, which are principally located in the Northeast of the United States. Additionally, revenues from our Branded Product Program and retail licensing program generally follow similar seasonal fluctuations, although not to the same degree. We believe that future revenues and profits will continue to be highest during our first two fiscal quarters, with the fourth fiscal quarter representing the slowest period. Working capital requirements may vary throughout the year to support these seasonal trends.

Competition

The fast-food restaurant industry is highly competitive and can be significantly affected by many factors, including changes in local, regional or national economic conditions, supply chain challenges, changes in consumer tastes, consumer concerns about the nutritional quality of quick-service food, as well as the increases in and the locations of competing restaurants.

Our restaurant system competes with numerous restaurants and drive-in units operating on both a national and local basis, including major national chains with greater financial and other resources than ours. We also compete with local restaurants and diners on the basis of menu diversity, food quality, price, size, site location and name recognition. There is also active competition for management personnel, as well as for suitable commercial sites for Company-owned or franchised restaurants and qualified franchisees.

We believe that our emphasis on our signature products and the reputation of these products for taste and quality set us apart from our major competitors. Many fast-food companies have adopted "value pricing" and/or deep discount strategies. Nathan's markets our own form of "value pricing," selling combinations of different menu items for a total price lower than the usual sale price of the individual items and other forms of price sensitive promotions. Continued price discounting and the emphasis on value meals may adversely impact the Company's business.

Our Branded Product Program competes directly with a variety of other nationally recognized hot dog companies and other food companies; many of these entities have significantly greater resources than we do. Our products primarily compete based upon price, quality and value to the foodservice operator and consumer. We believe that Nathan's reputation for superior quality, along with the ability to provide operational support to the foodservice operator, provides Nathan's with a competitive advantage.

Our retail licensing program for the sale of packaged foods within retail grocery channels including supermarkets and club stores competes primarily on the basis of reputation, flavor, quality and price. In most cases, we compete against other nationally recognized brands that may have significantly greater resources than those at our disposal.

Segment Reporting

We aggregate our reportable segments for purposes of discussion in this report into three main segments: (1) Branded Product Program, (2) Product licensing, and (3) Restaurant operations. Refer to Footnote I, *Segment Information*, in the notes to our consolidated financial statements for more information.

Available Information

We file reports with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and a proxy statement on Schedule 14A. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements and other information about issuers such as us that file electronically with the SEC.

In addition, electronic copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statement on Schedule 14A and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) under the Securities Exchange Act of 1934, as amended ("the Exchange Act") are available free of charge on our website, www.nathansfamous.com, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The reference to our website address and the SEC website address do not constitute incorporation by reference of the information contained on the website and should not be considered part of this document.

The Board of Directors ("the Board") has also adopted, and we have posted in the Investor Relations section of our website, written Charters for each of the Board's standing committees. We will provide without charge a copy of the Charter of any standing committee of the Board upon a stockholder's request to us at Nathan's Famous, Inc., One Jericho Plaza, Second Floor - Wing A, Jericho, NY 11753, Attention: Secretary.

For financial information regarding our results of operations, please see our consolidated financial statements beginning on page F-1.

Item 1A. Risk Factors.

Our business is subject to various risks. Certain risks are specific to certain ways we do business, such as through Company-owned restaurants, franchised restaurants, virtual kitchens, branded products and retail, while other risks, such as health-related or economic risks, may affect all of the ways that we do business.

Investors should carefully consider all of the information set forth in this Annual Report on Form 10-K, including the following risk factors, before deciding to invest in any of the Company's securities. The following risk factors are not exhaustive. Additional risks and uncertainties not presently known to the Company may also adversely impact its business. The Company's business, financial condition, results of operations or prospects could be adversely affected by any of these risks. In that case, the trading price of the Company's common stock could decline. This Form 10-K also contains forward-looking statements that involve risks and uncertainties. The Company's results could materially differ from those anticipated in these forward-looking statements as a result of certain factors, including the risks it faces described below and elsewhere. See "Forward-Looking Statements" above.

Risks Related to Our Business and Operations

Our results of operations could be adversely affected by disease epidemics, public health concerns or other catastrophic events.

A recurrence of coronavirus ("COVID-19") or the emergence of other health epidemics or pandemics could substantially impact customer traffic at our Company-owned and franchised restaurants, as well as sales to our Branded Product Program customers and royalties earned from our licensing activities.

The Company cannot predict if new variants of COVID-19 will be discovered, other health epidemics or pandemics may arise, what restrictions may be enacted by local, state and the federal government, to what extent it can maintain off-premises sales volumes, whether it can maintain sufficient staffing levels at our Company-owned restaurants, or if individuals will be comfortable congregating in our dining rooms or public venues such as professional sports arenas, amusement parks, shopping malls or movie theaters, and what long-lasting effects COVID-19 or other health epidemics or pandemics may have on the Company as a whole.

Additionally, unforeseen or other catastrophic events including natural disasters, military conflicts, terrorism, labor unrest and other political unrest could have an adverse impact on our operations, disrupt the operations of franchisees, suppliers or customers. These events could negatively impact consumer discretionary spending, thereby reducing demand for our products and/or the ability to receive products from suppliers.

Our results of operations could be adversely affected by increases in the cost of food, commodities and paper.

General economic conditions, including increases in inflation, have adversely affected our food, commodity and paper costs and may continue to do so. Our success and profitability depends on our customers willingness to pay higher prices for our products across all channels of distribution and there is no assurance that they will do so.

Food and paper products represent approximately 25% to 30% of our cost of restaurant sales. We purchase large quantities of beef and beef trimmings and our beef costs represent approximately 80% to 90% of our cost of sales. The market for beef is particularly volatile and is subject to significant price fluctuations due to seasonal shifts, adverse weather conditions, including the impact of climate change, environmental regulations, industry demand, inflationary pressures, the potential impacts of tariffs and other macroeconomic factors beyond our control.

While inflationary pressures eased slightly during fiscal year 2025, we may continue to experience increases in the cost of food, commodity and paper products which, in turn, may adversely affect our business, results of operations and financial condition.

We cannot assure that our Company-owned restaurants or our franchised restaurants will be able to purchase its food, commodity or paper products at reasonable prices, or that the cost of such food, commodity or paper products will remain stable in the future.

We are unable to predict the future cost of our hot dogs and expect to experience price volatility for our beef products during fiscal 2026. To the extent that beef prices increase as compared to earlier periods, it could impact our results of operations. If the price of beef, beef trimmings or other food products that we use in our operations significantly increases or remains elevated for a sustained period of time, particularly in the Branded Product Program, and we choose not to pass, or cannot pass, these increases on to our customers, our operating margins will decrease and such decrease in operating margins could have a material adverse effect on our business, results of operations or financial condition. We attempt to offset cost increases resulting from inflation by increasing prices and entering into sales agreements with our Branded Product Program customers that are correlated to our cost of beef and beef trimmings. However, if we are unable to continue to execute or to renew these sales agreements, our operating margins could be negatively affected and could have a material adverse effect on our business, results of operations or financial condition.

From time to time, we have sought to lock in the cost of a portion of our beef purchases by entering into various commitments to purchase hot dogs during certain periods in an effort to ensure supply of product at a fixed cost of product. However, we may be unable to enter into similar purchase commitments in the future. In addition, we do not have the ability to effectively hedge our beef purchases using futures or forward contracts without incurring undue financial cost and risk.

Price increases may impact customer visits.

The Company and our franchisees have increased prices on selected menu items in order to offset rising food and commodity costs. Although we have not experienced significant resistance to our past price increases, future price increases may deter customers from visiting our Company-owned and franchised restaurants, may decrease our ability to attract new customers, may decrease demand for our products at our Company-owned and franchised restaurants and may adversely affect our restaurant operations.

Our licensing revenue and overall profitability is substantially dependent on our agreement with Smithfield Foods, Inc. and the loss or a significant reduction of this revenue would have a material adverse effect on our financial condition and results of operations.

We earned license royalties from Smithfield Foods, Inc. of approximately $33,589,000 in fiscal 2025 and approximately $30,067,000 in fiscal 2024 representing 23% and 22% of total revenues, respectively. As a result of our agreement with Smithfield Foods, Inc. which expires in 2032, we expect that most of our license royalties will be earned from Smithfield Foods, Inc. for the foreseeable future. Accordingly, in the event that (i) Smithfield Foods, Inc. experiences financial or operational difficulties, (ii) there is a disruption or termination of the Smithfield Foods, Inc. agreement or (iii) there is a significant decrease in our license royalties from Smithfield Foods, Inc., it would have a material adverse effect on our business, results of operations and financial condition. We cannot assure you that we will be able to renew the license agreement with Smithfield Foods, Inc.

A significant amount of our Branded Product Program revenue is from a small number of accounts. The loss of any one or more of those accounts could harm our profitability and operating results.

A small number of our Branded Product Program customers account for a significant portion of our Branded Product Program revenues. Sales to our five largest Branded Product Program customers were 79% and 77% of our Branded Product Program revenues in fiscal 2025 and fiscal 2024, respectively. In the event that any one of these Branded Product Program customers experience financial difficulties or, upon the expiration of their existing agreements, if applicable, are not willing to do business with us in the future on terms acceptable to the Company, there could be a material adverse effect on our business, results of operations and financial condition.

Smithfield Foods, Inc. currently has two manufacturing facilities producing different Nathan's products and a long-term significant interruption of a primary facility could potentially disrupt our operations.

Smithfield Foods, Inc. currently has two manufacturing facilities producing different Nathan's products. A temporary closure at either of these plants could potentially cause a short-term disruption to the production or distribution of certain products to customers. A longer-term significant interruption at either of these production facilities, whether as a result of a natural disaster or other causes, could significantly impair our ability to operate our business on a day-to-day basis while Smithfield Foods, Inc. determines how to make up for any lost production capabilities, during which time we may not be able to secure sufficient alternative sources of supply on acceptable terms, if at all. In addition, a long-term disruption in supply to our customers could cause our customers to determine not to purchase some or all of their hot dogs from us in the future, which in turn would adversely affect our business, results of operations and financial condition. Furthermore, a supply disruption or other events might affect our brand in the eyes of consumers and the retail trade, which damage might negatively impact our overall business in general, which could result in a material adverse effect on our business, results of operations or financial condition.

The loss of one or more of our key suppliers could lead to supply disruptions, increased costs and lower operating results.

We have historically relied on one supplier for the majority of our hot dogs and another supplier for a majority of our supply of frozen crinkle-cut French fries for our restaurant system. An interruption in the supply of product from either of these suppliers without our obtaining an alternative source of supply on comparable terms could lead to supply disruptions, increased costs and lower operating results. We have an agreement with a secondary hot dog manufacturer that continues to also supply natural casing hot dogs for our restaurant business.

In the event that the hot dog or French fry suppliers are unable to fulfill our requirements for any reason, including due to a significant interruption in its manufacturing operations, whether as a result of a natural disaster or for other reasons, such interruption could significantly impair our ability to operate our business on a day-to-day basis.

In the event that we are unable to find one or more alternative suppliers of hot dogs or French fries on a timely basis, there could be a disruption in the supply of product to our Company-owned restaurants, franchised restaurants and Branded Product Program customers, which would damage our business, our franchisees and our Branded Product Program customers and, in turn, negatively impact our financial results. In addition, any gap in supply to retail customers may result in lost license royalties to us, which could have a significant adverse financial impact on our results of operations. Furthermore, any gap in supply to retail customers may damage our brand in the eyes of consumers and the retail trade, which might negatively impact our overall business in general and impair our ability to continue our retail licensing program.

Additionally, there is no assurance that any supplemental sources of supply would be capable of meeting our specifications and quality standards on a timely and consistent basis or that the financial terms of such supply arrangement will be comparable to our present terms.

Our earnings and business growth strategy depend in large part on the success of our product licensees and product manufacturers. Our reputation and the reputation of our brand may be harmed by actions taken by our product licensees or product manufacturers that are otherwise outside of our control.

A significant portion of our earnings has come from royalties paid by our product licensees, such as Smithfield Foods, Inc., Saratoga Food Specialties, Inc., a wholly-owned subsidiary of Solina, and Lamb Weston Holdings, Inc. Although our agreements with these licensees contain numerous controls and safeguards, and we monitor the operations of our product licensees, our licensees are independent contractors, and their employees are not our employees. Accordingly, we cannot necessarily control the performance of our licensees under their license agreements, including without limitation, the licensee's continued best efforts to manufacture our products for retail distribution and our foodservice businesses, to timely deliver the licensed products, to market the licensed products and to assure the quality of the licensed products produced and/or sold by a product licensee. Any shortcoming in the quality, quantity and/or timely delivery of a licensed product could cause reputational damage to us, potentially adversely affecting our business, results of operations and financial condition. In addition, a licensee's failure to effectively market the licensed products may result in decreased sales, which would adversely affect our business, results of operations and financial condition. Also, to the extent that the terms and conditions of any of these license agreements change or we change any of our product licensees, our business, results of operations and financial condition could be materially affected.

The quick-service restaurant business is highly competitive, and that competition could lower revenues, margins and market share.

The quick-service restaurant business of the foodservice industry is intensely competitive with respect to taste preferences, price, service, location, brand reputation, advertising and promotional initiatives, personnel, and the type and quality of menu offerings. We and our franchisees compete with international, national, regional and local restaurant chains. We also compete with non-traditional market participants including virtual kitchens, where meals are prepared at separate takeaway premises rather than a restaurant, and with food delivery services, which provide consumers with a convenient access to a broad range of competing restaurant chains. Other key competitive factors include the number and location of restaurants, quality and speed of service, attractiveness of facilities, effectiveness of digital and social media engagement, and new product development. We anticipate competition will continue to focus on quality, convenience and pricing. Many of our competitors have substantially larger marketing budgets which may provide them with a competitive advantage and some of these companies may be more innovative and be able to bring new products to market and more quickly capitalize on new consumer trends or preferences. Changes in pricing or other marketing strategies by these competitors can have an adverse impact on our sales, earnings and growth. For example, many of those competitors have adopted "value pricing" strategies intended to lure customers away from other companies, including our Company. Consequently, these strategies could have the effect of drawing customers away from companies which do not engage in discount pricing and could also negatively impact the operating margins of competitors which attempt to match their competitors' price reductions. We may be unable to change our pricing strategies sufficiently to compete in such an environment.

In addition, if patrons have a poor experience at a Company-owned or a franchised restaurant, we may experience a decrease in customer counts which, in turn, may result in a decline in Company-owned restaurant sales or franchise royalties.

We and our franchisees compete within the foodservice market and the quick-service restaurant business not only for customers but also for management and hourly employees and qualified franchisees. If we are unable to maintain our competitive position, we could experience downward pressure on prices, lower demand for products, reduced margins, the inability to take advantage of new business opportunities and the loss of market share.

All such competition may adversely affect our business, results of operations and financial condition.

Changes in economic, market and other conditions could adversely affect us and our franchisees, and thereby our operating results.

The quick-service restaurant business is affected by changes in international, national, regional, and local economic conditions, consumer preferences and spending patterns, demographic trends, consumer perceptions of food safety and health, diet and nutrition, weather, traffic patterns, the type, number and location of competing restaurants, and the effects of war or terrorist activities and any governmental responses thereto. Factors such as inflation, higher costs for each of food, labor, benefits and utilities, the availability and cost of suitable sites, rising insurance rates, state and local regulations and licensing requirements, legal claims, and the availability of an adequate number of qualified management and hourly employees also adversely affect restaurant operations and administrative expenses. Our ability and our franchisees' ability to finance new restaurant development, to make improvements and additions to existing restaurants, and the acquisition of restaurants from, and sale of restaurants to, franchisees is affected by economic conditions, including interest rates and other government policies impacting land and construction costs and the cost and availability of borrowed funds.

Further, we are dependent upon consumer discretionary spending and are subject to changes in or uncertainty regarding macroeconomic conditions in the United States and in other regions of the world. If the economy experiences a downturn or there are other uncertainties regarding economic prosperity, or other negative global and local macroeconomic conditions, consumer discretionary spending may be negatively impacted which may adversely affect our sales and operating profit.

Current restaurant locations may become unattractive, and attractive new locations may not be available for a reasonable price, if at all, which may reduce our revenue.

The success of any restaurant depends in substantial part on its location. There can be no assurance that current locations will continue to be attractive as demographic patterns change. Neighborhood or economic conditions where restaurants are located could decline in the future, thus resulting in potentially reduced sales in those locations. If we and our franchisees cannot obtain desirable additional and alternative locations at reasonable prices, our results of operations would be adversely affected.

Additionally, we need to maintain the attractiveness of our Company-owned restaurants and our franchisees are responsible for the regular upkeep of their respective locations. If the costs associated with capital improvements and/or regular upkeep are higher than anticipated, restaurants are closed for remodeling for longer periods, the results of our restaurant operations segment would be adversely affected.

Further, the leases at our Company-owned restaurants located at Coney Island and at the Coney Island Boardwalk expire in December 2027 and November 2027, respectively. We may not be able to re-negotiate our current lease terms. If we cannot renew our leases on attractive terms, it could adversely affect our business, results of operations and financial condition.

Any perceived or real health risks related to the food industry could adversely affect our ability to sell our products.

We are subject to risks affecting the food industry, including risks posed by the following: food spoilage or food contamination; consumer product liability claims; product tampering; and the potential cost and disruption of a product recall.

Our products are susceptible to contamination by disease-producing organisms, or pathogens, such as salmonella, norovirus, hepatitis A, trichinosis and generic E. coli. In addition, our beef products are also subject to the risk of contamination from bovine spongiform encephalopathy. Because these pathogens are generally found in the environment, there is a risk that these pathogens could be introduced to our products as a result of improper handling at the manufacturing, processing, foodservice or consumer level. Our suppliers' manufacturing facilities and products, as well as our franchisee and Company-owned restaurant operations, are subject to extensive laws and regulations relating to health, food preparation, sanitation and safety standards. Difficulties or failures in obtaining any required licenses or approvals or otherwise complying with such laws and regulations could adversely affect our revenue. Furthermore, we cannot assure you that compliance with governmental regulations by our suppliers or in connection with restaurant operations will eliminate the risks related to food safety.

Events reported in the media, or incidents involving food-borne illnesses or food tampering, whether or not accurate, can cause damage to our brand's reputation and affect sales and profitability. Reports, whether true or not, of food-borne illnesses (such as e-coli, avian flu, bovine spongiform encephalopathy, hepatitis A, trichinosis or salmonella) and injuries caused by food tampering have in the past severely injured the reputations of participants in the quick-service restaurant business and could in the future affect our business as well. Our brand's reputation is an important asset to the business; as a result, anything that damages our brand's reputation could immediately and severely hurt system-wide sales and, accordingly, revenue and profits. If customers become ill from food-borne illnesses or food tampering, we could also be forced to temporarily close some, or all, restaurants. In addition, instances of food-borne illnesses or food tampering, even those occurring solely at the restaurants of competitors, could, by resulting in negative publicity about the restaurant industry, adversely affect system sales on a local, regional or system-wide basis. A decrease in customer traffic as a result of these health concerns or negative publicity, or as a result of a temporary closure of any of our Company-owned restaurants or our franchisees' restaurants, could materially harm our business, results of operations and financial condition.

Additionally, we may be subject to liability if the consumption of any of our products causes injury, illness, or death. A significant product liability judgment or a widespread product recall may negatively impact our sales and profitability for a period of time depending on product availability, competitive reaction, and consumer attitudes. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our corporate and brand image. Injury to our brand's reputation would likely reduce revenue and profits.

Negative publicity, including complaints on social media platforms and other internet-based communications, could damage our reputation and harm our guest traffic, and in turn, negatively impact our business, financial condition, results of operations and prospects.

There has been an increase in the use of social media platforms and other forms of internet-based communications, including video sharing, blogs, chat platforms and instant messaging platforms, that allow individuals to access a broad audience of consumers and other interested persons. The availability of information on these social media platforms and internet-based communications is virtually immediate, as is its impact. The opportunity for dissemination of information, including inaccurate information, organizing collective actions such as boycotts and other brand-damaging behaviors is seemingly limitless and readily available. Information concerning our business and products may be posted on such platforms at any time. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate without affording us an opportunity to investigate, respond to and address an issue. Such platforms could also be used for dissemination of trade secret information, compromising valuable Company assets. The dissemination of information online, regardless of its accuracy, could harm our business, results of operations and financial condition.

The use of social media has become a larger element of our advertising and promotional efforts. These marketing initiatives may not be successful, resulting in expenses incurred without a corresponding increase in sales, increased customer awareness or engagement or brand awareness. The laws and regulations governing the use of social media are evolving and changing. If the Company, our employees, our franchisees or business partners do not adhere to the laws and regulations regarding the use of social media, it may adversely affect our business, results of operations, and financial condition and may subject the Company to litigation, fines or penalties.

Changing health or dietary preferences may cause consumers to avoid products offered by us in favor of alternative foods.

The foodservice industry is affected by consumer preferences and perceptions, including calories, sodium, carbohydrates or fat. If prevailing health or dietary preferences, perceptions and governmental regulation cause consumers to avoid the products we offer in favor of alternative or healthier foods, demand for our products may be reduced and could materially adversely affect our business, results of operations and financial condition.

We may not be able to adequately protect our intellectual property, which could decrease the value of our business or the value of our brands and products.

The success of our business depends on the continued ability to use existing trademarks, domain names, service marks and other components of each of our brands in order to increase brand awareness and further develop branded products. We may not be able to adequately protect our trademarks, and the use of these trademarks may result in liability for trademark infringement, trademark dilution or unfair competition. All of the steps we have taken to protect our intellectual property may not be adequate.

We have registered or applied to register many of our trademarks and service marks both in the United States and in foreign countries. Due to the differences in foreign trademark laws, our trademark rights may not receive the same degree of protection in foreign countries as they would in the United States. We also cannot assure you that our trademark and service mark applications will be approved. In addition, third parties may oppose our trademark and service mark applications, or otherwise challenge our use of the trademarks or service marks. In the event that our trademarks or service marks are successfully challenged, we could be forced to rebrand our products and services, which could result in loss of brand recognition, and could require us to devote resources towards advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe upon our marks, or that we will have adequate resources to enforce our trademarks or service marks. We cannot ensure that all of the steps that we have taken to protect our intellectual property in the United States and foreign countries will be adequate. Furthermore, intellectual property disputes and trademark infringement claims may result in a distraction for management and significant expense, which may not be recoverable regardless of whether we are successful.

We also license third party franchisees and other licensees to use our trademarks and service marks. We enter into franchise agreements with our franchisees and license agreements with our licensees which govern the use of our trademarks and service marks. Although we make efforts to monitor the use of our trademarks and service marks by our franchisees and licensees, we cannot assure you that these efforts will be sufficient to ensure that our franchisees and licensees abide by the terms of the trademark licenses. In the event that our franchisees and licensees fail to do so, our trademark and service mark rights could be diluted.

Our earnings and business growth strategy depend in large part on the success of our restaurant franchisees and on new restaurant openings. Our corporate reputation or brand reputation may be harmed by actions taken by restaurant franchisees that are otherwise outside of our control.

A portion of our earnings comes from royalties, fees and other amounts paid by our restaurant franchisees. These earnings are dependent upon the operational and financial success of our franchise operators. The opening and success of franchised restaurants depends on various factors, including the demand for our franchises and the selection of appropriate franchisee candidates, the availability of suitable restaurant sites, the negotiation of acceptable lease or purchase terms for new locations, permitting and regulatory compliance, the ability to secure restaurant equipment, the ability to meet construction schedules, the availability of financing and the financial and other capabilities of our franchisees and area developers. We cannot assure you that area developers planning the opening of franchised restaurants will have the business abilities or sufficient access to financial resources necessary to open the restaurants required by their agreements. We cannot assure you that franchisees will successfully participate in our strategic initiatives or operate their restaurants in a manner consistent with our concept and standards. Our franchisees are independent contractors, and their employees are not our employees. Our franchisees are solely responsible for making their own hiring, firing and disciplinary decisions, scheduling hours, establishing wages and managing their day-to-day operations at their individual locations in accordance with local and state laws. We provide training and support to, and monitor the operations of, our franchisees, but the quality of their restaurant operations may be diminished by any number of factors beyond our control. Consequently, the franchisees may not successfully operate their restaurants in a manner consistent with our high standards and requirements, and franchisees may not hire and train qualified managers and other restaurant personnel. Any operational shortcoming of a franchised restaurant is likely to be attributed by consumers to an entire brand or our system, thus damaging our corporate or brand reputation, potentially adversely affecting our business, results of operations and financial condition.

We cannot assure you that franchisees will renew their franchise agreements or that franchised restaurants will remain open. Closings of franchised restaurants are expected in the ordinary course and may cause our royalty revenues and financial performance to decline. Our principal competitors may have greater influence over their respective restaurant systems than we do because of their significantly higher percentage of company restaurants and/or ownership of franchisee real estate and, as a result, may have a greater ability to implement operational initiatives and business strategies, including their marketing and advertising programs.

As our franchisees are independent operators, we have limited influence over their ability to invest in other businesses or incur excessive indebtedness. Some of our franchisees have invested in other businesses, including other restaurant concepts. Such franchisees may use the cash generated by their Nathan's restaurants to expand their other businesses or to subsidize losses incurred by such businesses. Additionally, as independent operators, franchisees do not require our consent to incur indebtedness. Consequently, our franchisees have in the past, and may in the future, experience financial distress as a result of over-leveraging. To the extent that our franchisees use the cash from their Nathan's restaurants to subsidize their other businesses or experience financial distress, due to over-leveraging, it could have a material adverse effect on our business, results of operations and financial condition.

We rely on the performance of major retailers, wholesalers, specialty distributors and mass merchants for the success of our business, and should they perform poorly or give higher priority to other brands or products, our business could be adversely affected.

We sell our products to retail outlets and wholesale distributors including, traditional supermarkets, mass merchandisers, warehouse clubs, wholesalers, food service distributors and convenience stores. The replacement by or poor performance of our major wholesalers, retailers or chains or our inability to collect accounts receivable from our customers could materially and adversely affect our business, results of operations and financial condition. In addition, our customers offer branded and private label products that compete directly with our products for retail shelf space and consumer purchases. Accordingly, there is a risk that our customers may give higher priority to their own products or to the products of our competitors. In the future, our customers may not continue to purchase our products or provide our products with adequate levels of promotional support. A significant decline in the purchase of our products would have a material adverse effect on our business, results of operations and financial condition.

The sophistication and buying power of our customers could have a negative impact on profits.

Our customers, such as supermarkets, warehouse clubs, and food distributors, have continued to consolidate, resulting in fewer customers with which to do business and increasing our exposure to loss of certain customers. These consolidations and the growth of supercenters have produced large, sophisticated customers with increased buying power and negotiating strength who are more capable of resisting price increases and can demand lower pricing, increased promotional programs, or specialty tailored products. In addition, larger retailers have the scale to develop supply chains that permit them to operate with reduced inventories or to develop and market their own retailer brands. If the larger size of these customers results in additional negotiating strength and/or increased private label or store brand competition, our profitability could decline.

Consolidation also increases the risk that adverse changes in our customers' business operations or financial performance will have a corresponding material adverse effect on us. For example, if our customers cannot access sufficient funds or financing, then they may delay, decrease, or cancel purchases of our products, or delay or fail to pay us for previous purchases.

Our annual and quarterly financial results may fluctuate depending on various factors, many of which are beyond our control, and, if we fail to meet the expectations of investors, our share price may decline.

Our sales and operating results can vary from quarter to quarter and year to year depending on various factors, many of which are beyond our control. These events and factors include:

- changes in the cost or availability of commodities, including beef and beef trimmings, or labor and our inability to offset these higher costs with price increases;
- variations in the price, availability and shipping costs of supplies;
- changes in customer demand and customer visits;
- increases in marketing or promotional expenses;
- seasonal variations in the timing and volume of Company-owned restaurant sales, Branded Product Program sales, licensees' sales and franchisees' sales;
- changes in the terms of our existing license/supply agreements and/or the replacement of existing licenses or suppliers;
- tax expense, asset impairment charges and other non-operating costs;
- unexpected slowdowns in new store development efforts;
- changes in the number of franchises sold and franchise agreement renewals;
- changes in competitive and macroeconomic conditions in the United States and in other regions of the world; and
- weather and acts of God.

Our operations are influenced by adverse weather conditions.

Weather, which is unpredictable, can impact our sales. Harsh weather conditions that keep customers from dining out result in lost opportunities for our Company-owned restaurants and our franchisees' restaurants. A heavy snowstorm or a tropical storm or hurricane in the Northeast can shut down an entire metropolitan area, resulting in a reduction in sales in that area at Company-owned and franchised restaurants. Our fourth quarter includes winter months and historically has a lower level of sales at Company-owned and franchised restaurants. Additionally, our Company-owned restaurants at Coney Island are heavily dependent on favorable weather conditions during the summer season. Rain during the weekends and/or unseasonably cold temperatures will negatively impact the number of patrons visiting the Coney Island beach locations. Because a significant portion of our restaurant operating costs is fixed or semi-fixed in nature, the loss of sales during these periods adversely impacts our operating margins and can result in restaurant operating losses. For these reasons, a quarter-to-quarter comparison may not be a good indication of our performance or how we may perform in the future.

Climate change could adversely affect our results of operation and financial condition.

We and our supply chain are subject to risks and costs arising from the effects of climate change, global warming and diminishing energy and water resources. Climate change may have a negative effect on agricultural productivity which may result in decreased availability or less favorable pricing for certain commodities used in our products, such as beef, chicken, produce and dairy. Climate change may also increase the frequency or severity of natural disasters and other extreme weather conditions, which could disrupt the business of our suppliers, cause temporary restaurant closures and negatively impact guest traffic at our restaurants. Concern over climate change and other environmental and social sustainable business practices may result in new or increased legal and regulatory requirements, which could significantly increase costs. Furthermore, any perception of a failure to act responsibly with respect to the environment or to effectively respond to regulatory requirements concerning climate change or other sustainable business practices could lead to adverse publicity and have a material adverse effect on our business, results of operations and financial condition.

Due to the concentration of our restaurants in particular geographic regions, our business results could be impacted by the adverse economic conditions prevailing in those regions regardless of the state of the national economy as a whole.

As of March 30, 2025, we and our franchisees (including locations operated pursuant to our Branded Menu Program) operated Nathan's restaurants in 17 states and 12 foreign countries. As of March 30, 2025, the highest concentration of operating units was in the Northeast, principally in New York and New Jersey. This geographic concentration in the Northeast can cause economic conditions in this area of the country to have a disproportionate impact on our overall results of operations. It is possible that adverse economic conditions in states or regions that contain a high concentration of Nathan's restaurants could have a material adverse impact on our business, results of operations and financial condition.

We rely extensively on computer systems, our point-of-sales system and information technology to manage our business. Any disruption in our computer systems, our point-of-sales system or information technology may adversely affect our ability to run our business.

We are significantly dependent upon our computer systems, our point-of-sales system and information technology to properly conduct our business. A failure or interruption of computer systems, our point-of-sales system or information technology could result in the loss of data, business interruptions or delays in business operations. Many of these systems are provided and managed by third parties, and we are reliant on these third-party providers to implement protective measures that ensure the security, availability and integrity of their systems. Despite our considerable efforts to secure our computer systems and these third-party systems, security breaches, such as unauthorized access and computer viruses, phishing attacks, introduction of malware or ransomware may occur resulting in system disruptions, shutdowns or unauthorized disclosure of confidential information. Any security breach of our computer systems, and/or these third-party systems may result in adverse publicity, loss of sales and profits, penalties or loss resulting from misappropriation of information.

If any of our critical information technology systems were to become unreliable, unavailable, compromised or otherwise fail, and we were unable to recover in a timely manner, we could experience an interruption that could have a material adverse effect on our business, results of operations and financial condition.

Cyberattacks and breaches could cause operational disruptions, fraud or theft of sensitive information.

Aspects of our operations are reliant upon internet-based activities, such as ordering supplies and back-office functions such as accounting and transaction processing, making payments and accepting credit card payments in our restaurants, as well as at third party online ordering and delivery businesses, processing payroll and other administrative functions, etc. For instance, if we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment-related data is compromised due to a breach or misuse of data, we may be liable for costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types, which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs.

We also use third-party vendors. While we select third-party vendors carefully, we do not control their actions. Any problems caused by these third parties, including those resulting from breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, cyberattacks and security breaches at a vendor could adversely affect our ability to deliver products and services to conduct our business.

Although we have taken measures to protect our technology systems and infrastructure, including investing in our existing information technology systems and providing employee training around phishing, malware and other cyber risks, there can be no assurance that we will be successful and fully protected against cyber risks and security breaches. The techniques and sophistication used to conduct a cyberattack change frequently and the measures that we have taken do not guarantee that a cyberattack or security breach could not occur. The rapid evolution and increased adoption of artificial intelligence technologies to carry out more sophisticated attacks may intensify our cybersecurity risks. A cyberattack or security breach could result in operational disruptions, theft or fraud, or exposure of sensitive information to unauthorized parties. Such events could result in additional costs related to operational inefficiencies, damages, claims or fines and may adversely affect our business, results of operations and financial condition.

Our international operations are subject to various factors of uncertainty.

Our business outside of the United States is subject to a number of additional factors, including international economic and political conditions, differing cultures and consumer preferences, currency regulations and fluctuations, diverse government regulations and tax systems, uncertain or differing interpretations of rights (including intellectual property rights) and obligations in connection with international franchise agreements and the collection of royalties from international franchisees, the availability and cost of land and construction costs, and the availability of appropriate franchisees. In developing markets, we may face risks associated with new and untested laws and judicial systems. Although we believe we have developed the support structure required for international growth, there is no assurance that such growth will occur or that international operations will be profitable.

Our business operations and future development could be significantly disrupted if we lose key personnel.

The success of our business continues to depend to a significant degree upon the continued contributions of our senior officers and key employees, both individually and as a group. Our future performance will be substantially dependent, in particular, on our ability to retain and motivate our executive officers, for certain of whom we currently have employment agreements in place. The loss of the services of any of our executive officers could have a material adverse effect on our business, financial condition, results of operations and prospects, as we may not be able to find suitable individuals to replace such personnel on a timely basis or without incurring increased costs, or at all.

Additionally, our Company-owned and franchised restaurants are highly service-oriented, and our success depends in part upon the ability to attract, retain and motivate a sufficient number of qualified employees, including franchisee management, restaurant managers and other crew members. The market for qualified employees in the retail food industry is very competitive. We are experiencing and may continue to experience a shortage of labor for positions in our Company-owned and franchised restaurants, due to the current competitive labor market. We and our franchisees have experienced and may continue to experience challenges in hiring and retaining restaurant employees which may result in decreased employee and customer satisfaction. Anticipated changes in immigration laws and regulations may decrease the pool of candidates available for hire and may increase the costs, time and requirements to hire new employees.

We face risks of litigation and pressure tactics, such as strikes, boycotts and negative publicity from customers, franchisees, suppliers, employees and others, which could divert our financial, and management resources and which may negatively impact our financial condition and results of operations.

Class action lawsuits have been filed, and may continue to be filed, against various quick-service restaurants alleging, among other things, that quick-service restaurants have failed to disclose the health risks associated with high-fat foods and that quick-service restaurant marketing practices have targeted children and encouraged obesity.

In addition, activist groups, including animal rights activists and groups acting on behalf of franchisees, the workers who work for suppliers and others, have in the past, and may in the future, use pressure tactics to generate adverse publicity by alleging, for example, inhumane treatment of animals by our suppliers, poor working conditions or unfair purchasing policies. These groups may be able to coordinate their actions with other groups, threaten strikes or boycotts or enlist the support of well-known persons or organizations in order to increase the pressure on us to achieve their stated aims. In the future, these actions or the threat of these actions may force us to change our business practices or pricing policies, which may have a material adverse effect on our business, results of operations and financial condition.

Further, we may be subject to employee, franchisee and other claims in the future based on, among other things, mismanagement of the system, unfair or unequal treatment, discrimination, harassment, wrongful termination and wage, rest break and meal break issues, including those relating to overtime compensation. We have been subject to these types of claims in the past, and if one or more of these claims were to be successful or if there is a significant increase in the number of these claims, our business, results of operations and financial condition could be harmed.

Risks Related to Regulatory Matters

Changes to minimum wage rates have increased our labor costs.

We must comply with the Fair Labor Standards Act and various federal and state laws governing minimum wages. Increases in the minimum wage and labor regulations have increased our labor costs. On January 1, 2025, the minimum wage increased from $16.00 to $16.50 in New York City, Long Island and Westchester which will be followed by an additional $0.50 increase in 2026. Further, beginning in 2027, the minimum wage across New York State will increase annually according to the Consumer Price Index. Additionally, the federal government and a number of other states are evaluating various proposals to increase their respective minimum wage. As minimum wage rates increase, we may need to increase not only the wages of our minimum wage employees but also the wages paid to employees at wage rates that are above minimum wage. As a result, we anticipate that our labor costs will continue to increase. If we are unable to pass on these higher costs through price increases, our margins and profitability as well as the profitability and margins of our franchisees will be adversely impacted which could have a material adverse effect on our business, results of operations or financial condition.

Changes in franchise regulations and laws could impact our ability to obtain or retain licenses or approvals and adversely affect our business, financial condition, results of operations and prospects.

We are subject to federal statutes and regulations, including the rules promulgated by the U.S. Federal Trade Commission, as well as certain state laws governing the offer and sale of franchises. Many state franchise laws impose substantive requirements on franchise agreements, including limitations on non-competition provisions and on provisions concerning the termination or non-renewal of a franchise. Some states require that certain materials be filed in order for a franchisor to be registered and approved (or exempt from the applicable state franchise law) before a franchisor can offer or sell franchises in that state. The failure to obtain or retain licenses, exemptions or approvals (as applicable) to offer and award franchises could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to health, employment, environmental and other government regulations, and failure to comply with existing or future government regulations could expose us to litigation, damage our corporate reputation or the reputation of our brands and lower profits.

We and our franchisees are subject to various federal, state and local laws, rules or regulations affecting our businesses. To the extent that the standards imposed by local, state and federal authorities are inconsistent, they can adversely affect popular perceptions of our business and increase our exposure to litigation or governmental investigations or proceedings. We may be unable to manage effectively the impact of new, potential or changing regulations that affect or restrict elements of our business. The successful development and operation of restaurants depends to a significant extent on the selection and acquisition of suitable sites, which are subject to zoning, land use (including the placement of drive-thru windows), environmental (including litter), traffic and other regulations. There can be no assurance that we and our franchisees will not experience material difficulties or failures in obtaining the necessary licenses or approvals for new restaurants which could delay the opening of such restaurants in the future. Restaurant operations are also subject to licensing and regulation by state and local departments relating to health, food preparation, sanitation and safety standards, federal and state labor laws (including applicable minimum wage requirements, overtime, working and safety conditions and citizenship requirements), federal and state laws prohibiting discrimination and other laws regulating the design and operation of facilities. If we fail to comply with any of these laws, we may be subject to governmental action or litigation, and accordingly our reputation could be harmed.

Injury to us or our brand's reputation would, in turn, likely reduce revenue and profits. In addition, difficulties or failures in obtaining any required licenses or approvals could delay or prevent the development or opening of a new restaurant or renovations to existing restaurants, which would adversely affect our revenue.

Failure by third-party manufacturers or suppliers of raw materials to comply with food safety, environmental or other regulations may disrupt our supply of certain products and adversely affect our business.

We rely on third-party manufacturers to produce our products and on other suppliers to supply raw materials. Such manufacturers and other suppliers, whether in the United States or outside the United States, are subject to a number of regulations, including food safety and environmental regulations. Failure by any of our manufacturers or other suppliers to comply with regulations, or allegations of compliance failure, may disrupt their operations. Disruption of the operations of a manufacturer or other suppliers could disrupt our supply of product or raw materials, which could have an adverse effect on our business, results of operations, and financial condition. Additionally, actions we may take to mitigate the impact of any such disruption or potential disruption, including increasing inventory in anticipation of a potential production or supply interruption, may adversely affect our business, results of operations, and financial condition.

Supply chain risk could increase our costs and limit the availability of ingredients and supplies that are critical to our operations. The markets for some of our ingredients, such as beef and beef trimmings are particularly volatile due to factors beyond our control such as limited sources, seasonal shifts, climate conditions and industry demand, including as a result of animal disease outbreaks, food safety concerns, product recalls and government regulation. In addition, we have a limited number of suppliers and distributors. We remain in regular contact with our major suppliers and to date we have not experienced significant disruptions in our supply chain; however, during fiscal 2025 the Company experienced increased costs for certain supplies and ingredients, such as packaging, beef and beef trimmings, and freight, which combined with inflationary pressures could continue. Such factors may have a material adverse effect on our business, results of operations and financial condition.

We are subject to many federal, state and local laws, as well as statutory and regulatory requirements. Failure to comply with, or changes in these laws or requirements, could have an adverse impact on our business.

There have been legislative and regulatory initiatives to adopt a more aggressive interpretation of when a franchisor may be deemed to be the "joint employer" of its franchisees' staff. If those initiatives were adopted, some franchisors might be deemed the "joint employer" of their franchisees' staff under certain fact patterns. The federal initiatives to reset those rules have ceased in the courts and are not presently being pursued. However, if Congress were to pass such legislation or if the federal government were to restore those regulatory requirements, that would potentially change the status quo. Similarly, state enforcement agencies have explored adopting changes to joint employment standards, some of which might be along the same lines as those considered at the federal level. Finally, in private litigation, franchisees' employees may seek recovery against Nathan's based on theories such as "joint employment" and other vicarious liability concepts. All of these possibilities could expose Nathan's to being deemed a "joint employer" of our franchisees' staff (together with our franchisees) which might adversely impact our results of operations and financial condition. Additionally, those legislative and regulatory proposals and private actions might result in some franchisees being reclassified as Nathan's "employees" which might adversely impact our results of operations and financial condition.

Among other things, a determination that Nathan's and its franchisees are joint employers of one or more franchisees' staff may make it easier to organize our franchisees' staff into unions, provide the staff and their union representatives with bargaining power to request that we have our franchisees raise wages, and make it more expensive and less profitable to operate a Nathan's franchised restaurant. A decrease in profitability or the closing of a significant number of franchised restaurants could significantly impact our business (as well as our franchisees' businesses), and we may also be impacted if a government agency or private party, successfully brought an action alleging that we are a "joint employer" of our franchisees' staff, all of which might adversely impact our results of operations and financial condition.

Additionally, state and local laws (such as the California Fast Food Accountability and Standards Recovery Act, referred to as the "FAST Act") require wage increases as well as working hours and working condition standards that may increase our costs and those of our franchisees. It is possible that other jurisdictions may pass similar laws.

California also adopted legislation to address data privacy. The California Consumer Privacy Act ("CCPA") imposes stringent data security standards which might apply more broadly than only within the borders of that state (for example, if a California resident buys products or has them shipped into the state and pays with a credit or debit card). In total, 14 states have adopted laws that apply (or that will apply as of the effective date) to data and other biometric technology, which may be broadly interpreted. It remains uncertain whether the CCPA and the data privacy laws adopted in other states will have a material impact on our operations or that of our franchisees.

Our business is subject to an increasing focus on Environmental, Social, and Governance (ESG) matters.

In recent years, there has been an increasing focus by investors, activists, the media, governmental and non-governmental organizations and stakeholders – including employees, franchisees, customers and suppliers on ESG matters. A failure, whether real or perceived, to address ESG could adversely affect our business, including by heightening other risks disclosed in this Item 1A, "Risk Factors." In the restaurant industry, concerns have been expressed regarding energy management, water management, food and packaging waste management, supply chain management and labor practices. If we are perceived to have not responded appropriately to the growing concern of ESG issues, then our restaurant patrons and other customers may choose to patronize a competitor that they perceive to be more responsive, and this may adversely affect our business, results of operations and financial condition.

We may also face increased pressure to provide expanded disclosure and establish additional commitments, targets or goals, and take actions to meet them, which could expose us to additional market, operational, execution and reputational costs and risks.

Changes in tax laws and unfavorable resolution of tax contingencies could adversely affect our tax expense.

We are subject to federal, state, and local tax laws and regulations in the United States. Our future effective tax rates could be adversely affected by changes in tax laws. From time to time, federal, state and local governments consider legislation that could increase our effective tax rates. If changes to applicable tax laws are enacted, our results of operations could be negatively impacted. Our tax returns and positions are subject to review and audit by the Internal Revenue Service and other tax authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby negatively impacting our results of operations.

In addition, the American Rescue Plan Act of 2021 ("ARPA") provides for numerous tax and other stimulus measures, one of which will expand the limitation of compensation deductions for certain covered employees of publicly held corporations to also include the next five highly compensated employees. This limitation will be effective for us beginning March 29, 2027.

Risks Related to Our Common Stock and Organizational Structure

The market price of our common stock may be highly volatile or may decline regardless of our operating performance.

The trading price of our common stock may fluctuate substantially. The price of our common stock that will prevail in the market may be higher or lower than the price when you acquired our stock, depending on many factors, some of which are beyond our control. Broad market and industry factors may adversely affect the market price of our common stock, regardless of our actual operating performance. The fluctuations could cause a loss of all or part of an investment in our common stock.

Factors that could cause fluctuation in the trading price of our common stock may include, but are not limited to the following: price and volume fluctuations in the overall stock market from time to time; significant volatility in the market price and trading volume of companies generally or restaurant companies specifically; actual or anticipated variations in the earnings or operating results of our company or our competitors; actual or anticipated changes in financial estimates by us or by any securities analysts who might cover our stock or the stock of other companies in our industry; market conditions or trends in our industry and the economy as a whole; announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures and our ability to complete any such transaction; announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us; capital commitments; changes in accounting principles; additions or departures of key personnel; sales of our common stock, including sales of large blocks of our common stock or sales by our directors and officers; and events that affect any of our significant suppliers discussed above.

In addition, if the market for restaurant company stocks or the stock market in general experiences loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry or related industries even if these events do not directly affect us.

In the past, following periods of volatility in the market price of a company's securities, class action securities litigation has often been brought against that company. Due to the potential volatility of our stock price, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business and could also require us to make substantial payments to satisfy judgments or to settle litigation.

Our certificate of incorporation and by-laws and other corporate documents include anti-takeover provisions which may deter or prevent a takeover attempt.

Some provisions of our certificate of incorporation, by-laws, other corporate documents, including the terms and conditions of our Credit Agreement (the "Credit Agreement") dated as of July 10, 2024 among the Company, as borrower, direct and indirect subsidiaries of the Company, as guarantors, the lenders from time to time party thereto (the "Lenders") and Citibank, N.A., as administrative agent, swing line lender, L/C issuer and a Lender, and provisions of Delaware law may discourage takeover attempts and hinder a merger, tender offer or proxy contest targeting us, including transactions in which stockholders might receive a premium for their shares. This may limit the ability of stockholders to approve a transaction that they may think is in their best interest.

The corporate documents include:

- *Employment Contracts.* The employment agreements between us and each of Howard M. Lorber and Eric Gatoff provide that in the event there is a change in control of Nathan's, the employee has the option, exercisable within one year for each of Messrs. Lorber and Gatoff, of his becoming aware of the change in control, to terminate his employment agreement. Upon such termination, Mr. Gatoff has the right to receive a lump sum payment equal to his salary and annual bonus for a one-year period, and Mr. Lorber has the right to receive a lump sum payment equal to the greater of (i) his salary and annual bonuses for the remainder of the employment term or (ii) 2.99 times his salary and annual bonus plus the difference between the exercise price of any exercisable options having an exercise price of less than the then current market price of our common stock and such current market price. Mr. Lorber will also receive a tax gross up payment to cover any excise tax.

While we have approved a quarterly dividend policy, there can be no assurance as to the declaration of future dividends or the amount of such dividends.

Our declaration and payment of future cash dividends are subject to the final determination by our Board of Directors that (i) the dividend will be made in compliance with laws applicable to the declaration and payment of cash dividends, including Section 170 of the Delaware General Business Corporation Law, (ii) the dividend complies with the terms of our Credit Agreement, and (iii) the payment of dividends remains in our best interests, which determination will be based on a number of factors, including the impact of changing laws and regulations, economic conditions, our results of operations and/or financial condition, capital resources, the ability to satisfy financial covenants and other factors considered relevant by the Board of Directors. There can be no assurance our Board of Directors will approve the payment of cash dividends in the future or the amount of a cash dividend. Any discontinuance of the payment of a dividend or changes to the amount of a dividend compared to prior dividends could cause our stock price to decline.

Risks Related to our Indebtedness

Our significant amount of indebtedness makes us more sensitive to adverse economic conditions, may limit our ability to plan for or respond to significant changes in our business, and requires a significant amount of cash to service our debt payment obligations that we may be unable to generate or obtain.

As of March 30, 2025, we had total outstanding indebtedness of $50,800,000. Subject to the terms of our Credit Agreement, we and our subsidiaries may be able to incur additional indebtedness in the future, which would increase the risks related to our level of indebtedness. If new debt is added to our existing debt levels, the related risks that we face would intensify and we may not be able to meet all our debt obligations, including the repayment of the Credit Agreement which matures in July 2029.

Specifically, our high level of indebtedness could have important potential consequences, including, but not limited to:

- increasing our vulnerability to, and reducing our flexibility to plan for and respond to, adverse economic and industry conditions and changes in our business and the competitive environment;
- make it more difficult for us to satisfy our other financial obligations;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal on, and interest on, indebtedness, which amount could increase if prevailing interest rates rise, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, dividends, share repurchases or other corporate purposes;
- place us at a competitive disadvantage compared to our competitors that have less debt or competitors with comparable debt levels at more favorable interest rates;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- increasing our exposure to the risk of increased interest rates insofar as current and future borrowings are subject to variable rates of interest;
- making it more difficult for us to repay, refinance or satisfy our obligations with respect to our debt;
- limiting our ability to borrow additional funds in the future and increasing the cost of any such borrowing;
- imposing restrictive covenants on our operations as the result of the terms of our indebtedness, which, if not complied with, could result in an event of default, which in turn, if not cured or waived, could result in the acceleration of our debt.

There is no assurance that we will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other liquidity needs. If our business does not generate sufficient cash flow from operations or if future borrowings are not available to us in amounts sufficient to pay our indebtedness or to fund other liquidity needs, our financial condition and results of operations may be adversely affected. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. There is no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have a material adverse effect on our business and financial condition.

If drawn upon, our undrawn revolving credit facility would subject us to interest rate risk, which could cause our debt service obligations to increase.

Our undrawn revolving credit facility has, and indebtedness we incur in the future may have variable interest rates. Interest rates may increase in the future and as a result, variable rate debt may create higher debt service requirements, which would adversely affect our free cash flows and could have a material adverse effect on our business and financial condition.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk management and strategy

The Company is committed to securing our information technology systems, including accounting software, point-of-sale software, and back-of-house software, against cybersecurity threats and protecting the privacy of the data of our customers', employees', franchisees', licensees' and other business partners. However, as described in "Item 1A. Risk Factors –*Cyberattacks and breaches could cause operational disruptions, fraud or theft of sensitive information*" of this Form 10-K, we recognize that cybersecurity threats are an ongoing concern in today's digital world and that, despite devoting resources to secure our information technology systems, cybersecurity incidents can occur and, if so, could negatively impact our brand, business, results of operations and financial condition. Cybersecurity threats include any potential unauthorized occurrence on or conducted through our information technology systems or information technology systems of a third party that we utilize in our business that may result in adverse effects on the confidentiality, integrity or access to our information technology systems.

Our cybersecurity risk management program includes a cybersecurity incident response plan. We design and assess our program primarily following the guidelines of the National Institute of Standards and Technology and Payment Card Industry Data Security Standard. This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use these frameworks as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business. The objectives of our programs are to protect the confidentiality, integrity, use and availability of the Company's data; to protect against unauthorized access to the Company's data, the Company's network and information technology applications; and to maintain disaster recovery plans to prepare for and respond to the potential for a disruption in the Company's informational technology. Our programs fall under the oversight of our Information Technology manager.

To supplement our internal controls and processes and to meet these objectives, the Company engages third-party consultants who work closely with the Company's Information Technology manager to collectively manage our cybersecurity, information technology and data privacy programs, as well as perform application security reviews, scans and penetration tests. The Company's senior management team, including its Chief Executive Officer and its Chief Financial Officer, reviews the assessments performed by its third-party consultants and determines the plans to be executed in collaboration with the Information Technology manager.

Our information technology infrastructure includes firewalls, modern endpoint protections, intrusion detection tools and alerts, as well as multi-factor authentication to provide a multi-layered approach to protecting our information technology systems from unauthorized access, use, disclosure, disruption, or destruction. Such applications are regularly monitored and reviewed for adequacy and potential enhancements.

We obtain System and Organizational Controls ("SOC") 1 or SOC 2 reports on an annual basis from vendors that host our significant financial applications to aid in our assessment of information security risk amongst our relationships with the host vendors. We also perform quarterly access reviews for these systems that are subject to Sarbanes-Oxley oversight.

Over 98% of our restaurants are operated by franchisees who themselves are at risk of potential cybersecurity threats. There is no connectivity between the Company's network and the networks on which our franchisees and licensees operate. Furthermore, there is no interface between the Company-owned restaurants point-of-sale system and the Company's network and no interface between the Company's primary manufacturer, Smithfield Foods, Inc. and the Company's network.

The Company routinely leads training exercises, at least annually, for its employees to reinforce the risk from common tactics and scams like email phishing campaigns, as well as more sophisticated descendants (i.e. spear phishing and smishing) to defend against potential business email and network compromise.

We have developed an incident response plan outlining immediate response actions, including internal and external communication protocols. The incident response plan is reviewed regularly by our third-party consultants in collaboration with our Information Technology manager evaluating our capabilities and our readiness. Under the plan, we have identified a management group comprised of our Chief Executive Officer, Chief Financial Officer, Corporate Controller and Information Technology manager. The plan provides that any cybersecurity incident will be reviewed by this group to determine whether any such incident is material for securities laws purposes and whether public disclosure is required, following consultation with outside counsel, the Audit Committee and/or Board of Directors.

We maintain cyber risk insurance coverage that is intended to mitigate the financial impact of cybersecurity and data privacy incidents experienced by the Company. There can be no assurance that our cyber insurance policies will be sufficient in scope or amount to cover the costs and expenses related to any future cybersecurity incidents and it does not remedy the reputational and future business impacts.

Governance

The full Board of Directors has overall responsibility for risk oversight, including cybersecurity matters. It is supported by the Audit Committee, which reports to the full Board of Directors. The Audit Committee receives updates from management, as necessary, on the cybersecurity landscape and cybersecurity risks impacting the Company. At least annually, the Board of Directors receives a cybersecurity update as part of our Company's risk management program. Such updates are designed to ensure that the Company's senior management team remain informed about and can monitor the prevention, detection, mitigation, and remediation of potential cybersecurity incidents.

At a management level, our cybersecurity program is led by our Information Technology manager, who reports to the Chief Financial Officer. Our Information Technology manager is supported by our third-party consultants. Our Information Technology manager along with the support of our third-party consultants, is equipped to help navigate the landscape of cybersecurity risks and challenges and to implement and to manage a comprehensive security strategy.

While cybersecurity threats have not materially affected our business strategy, results of operations or financial condition, future incidents may interrupt our operations and could materially adversely affect our business, results of operations and financial condition.

Item 2. Properties.

We currently lease approximately 9,300 square feet of space for our executive offices in Jericho, New York for approximately $396,000 per year, under a lease agreement which expires on March 31, 2029.

At March 30, 2025, other Company-owned restaurants that were operating were located in leased space with terms expiring as shown in the following table:

Nathan's Restaurants	Location	Current Lease Expiration Date	Approximate Square Footage
Coney Island	Brooklyn, NY	December 2027	10,000
Coney Island Boardwalk (a)	Brooklyn, NY	November 2027	3,800
Long Beach Road	Oceanside, NY	April 2030	4,100
Central Park Avenue	Yonkers, NY	December 2028	3,500

(a) Seasonal satellite location.

At March 30, 2025, in addition to the leases listed above, we were the sub-lessor of one property to a franchisee located within the metropolitan New York area.

Aggregate rental expense, net of sublease income, under all current leases amounted to $1,873,000 in fiscal 2025.

Item 3. Legal Proceedings.

We and our subsidiaries are from time to time involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position, cash flows or results of operations. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include monetary damages and, in such event, could result in a material adverse impact on our results of operations for the period in which the ruling occurs.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information and Dividend Policy

Our common stock is quoted on the NASDAQ Global Market ("Nasdaq") under the symbol "NATH." As of June 5, 2025 we had approximately 290 shareholders of record, excluding shareholders whose shares were held by brokerage firms, depositories and other institutional firms in "street name" for their customers.

The Company paid quarterly cash dividends of $0.50 per share of common stock during each of the first, second, third and fourth quarters of fiscal 2024 and 2025. Effective June 10, 2025, the Board declared its first quarterly cash dividend of $0.50 per share for fiscal year 2026 which is payable on July 1, 2025 to stockholders of record as of the close of business on June 23, 2025.

Our ability to pay future dividends is limited by the terms of our Credit Agreement. In addition, the payment of any cash dividends in the future are subject to final determination of the Board and will be dependent upon our earnings and financial requirements and the terms of our Credit Agreement.

In addition to the terms of the Credit Agreement, the payment of any cash dividends in the future will be dependent upon our earnings and financial requirements and the terms of any other indebtedness that we may incur in the future and there can be no assurance that we will declare and pay any dividends subsequent to the July 1, 2025 dividend.

Issuer Purchases of Equity Securities

The Company did not repurchase any of its common stock during the quarter ended March 30, 2025.

Item 6. Reserved.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

Recent Events Affecting Our Results of Operations

Inflationary Pressures

Inflationary pressures impacted our consolidated results of operations during fiscal 2025, and we anticipate continued inflationary pressures on commodity prices, including beef and beef trimmings, as well as labor inflation during fiscal 2026. In general, we have been able to offset some of these cost increases resulting from inflation by increasing prices at our Company-owned restaurants and entering into sales agreements with our Branded Product Program customers that are correlated to our cost of beef and beef trimmings. We continue to monitor these inflationary pressures and will attempt to implement mitigation measures as needed. Inherent volatility in commodity markets, including beef and beef trimmings, could have a significant impact on our results of operations. Delays in implementing price increases, competitive pressures, recession fears, a decline in consumer spending levels and other factors may limit our ability to implement further price increases in the future.

Uncertainty in the current macroeconomic environment, including the impact of tariffs, may have an adverse impact on our sales or increase our cost of goods sold.

Refinancing of Senior Secured Notes due 2025

On July 10, 2024, the Company entered into a five-year unsecured Credit Agreement (the "Credit Agreement") with Citibank, N.A. and borrowed $60,000,000 in Term Loan borrowings to refinance and redeem our outstanding 6.625% Senior Secured Notes due 2025 (the "2025 Notes"). See NOTE J – LONG TERM DEBT to the consolidated financial statements and "Liquidity and Capital Resources" for additional information on the Credit Agreement and refinancing. Our future results may be impacted by our debt service and repayment obligations under our Credit Agreement.

Business Overview

We are engaged primarily in the marketing of the "Nathan's Famous" brand and the sale of products bearing the "Nathan's Famous" trademarks through several different channels of distribution. Historically, our business has been the operation and franchising of quick-service restaurants featuring Nathan's World Famous Beef Hot Dogs, crinkle-cut French fries, and a variety of other menu offerings. Our Company-owned and franchised restaurants operate under the name "Nathan's Famous," the name first used at our original Coney Island restaurant opened in 1916. Nathan's product licensing program sells packaged hot dogs, frozen crinkle-cut French fries and additional products to retail customers through supermarkets, grocery channels and club stores for off-site consumption. Our Branded Product Program enables foodservice retailers and others to sell some of Nathan's proprietary products outside of the realm of a traditional franchise relationship. In conjunction with this program, purchasers of Nathan's products are granted a limited use of the Nathan's Famous trademark with respect to the sale of the purchased products, including Nathan's World Famous Beef Hot Dogs, certain other proprietary food items and paper goods. Our Branded Menu Program is a limited franchise program, under which foodservice operators may sell a greater variety of Nathan's Famous menu items than under the Branded Product Program.

Our revenues are generated primarily from selling products under Nathan's Branded Product Program, operating Company-owned restaurants, licensing agreements for the sale of Nathan's products within supermarkets, grocery stores and club stores, the manufacture of certain proprietary spices by third parties and the royalties, fees and other sums we can earn from franchising the Nathan's restaurant concept (including the Branded Menu Program and virtual kitchens).

The following summary reflects the openings and closings of the Nathan's franchise system (including the Branded Menu Program) for the fiscal years ended March 30, 2025 and March 31, 2024.

	March 30, 2025	March 31, 2024
Beginning balance	**230**	232
Opened	**25**	17
Closed	**(25)**	(19)
Ending balance (a)	**230**	230

(a) Units operating pursuant to our Branded Product Program and our virtual kitchens are excluded.

At March 30, 2025, our franchise system consisted of 230 Nathan's franchised locations, including 121 Branded Menu locations located in 17 states, and 12 foreign countries. We also operate four Company-owned restaurants (including one seasonal unit), within the New York metropolitan area.

Our primary focus is to expand the market penetration of the Nathan's Famous brand by increasing the number of distribution points for our products across all of our business platforms, including our Licensing Program for distribution of Nathan's Famous branded consumer packaged goods, our Branded Products Program for distribution of Nathan's Famous branded bulk products to the foodservice industry, and our namesake restaurant system comprised of both Company-owned and franchised restaurants, including virtual kitchens. The primary drivers of our growth have been our Licensing and Branded Product Programs, which are the largest contributors to the Company's revenues and profits.

While we do not expect to significantly increase the number of Company-owned restaurants, we may opportunistically and strategically invest in a small number of new units as showcase locations for prospective franchisees and master developers as we seek to grow our franchise system.

As described in Item 1A. "Risk Factors" and other sections in this Annual Report on Form 10-K for the year ended March 30, 2025, our future results could be impacted by many developments including the impact of the inflationary pressures on our business, as well as our dependence on Smithfield Foods, Inc. as our principal supplier, and the dependence of our licensing revenue and overall profitability on our agreement with Smithfield Foods, Inc. Our future operating results could be impacted by supply constraints on beef or by increased costs of beef, beef trimmings and other commodities due to inflationary pressures compared to earlier periods.

Critical Accounting Estimates

Our consolidated financial statements and the notes to our consolidated financial statements contain information that is pertinent to management's discussion and analysis. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. These estimates and assumptions are inherently uncertain and require additional management judgment. Results can materially differ when varying assumptions are applied. We consider the following estimates to be the most critical in understanding the assumptions used by management in preparing the consolidated financial statements due to the subjectivity and sensitivity of the methods used in determining the related estimates. The following discussion should be read in conjunction with the consolidated financial statements included in Part IV, Item 15 of this Form 10-K.

Impairment of Long-Lived Assets

Long-lived assets include property, equipment and right-of-use assets for operating leases with finite useful lives. Impairment losses are recorded on long-lived assets whenever impairment factors are determined to be present. The Company considers a history of restaurant operating losses to be its primary indicator of potential impairment for individual restaurant locations. The Company tests the recoverability of its long-lived assets with finite useful lives whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company tests for recoverability based on the projected undiscounted cash flows to be generated by our individual Company-owned restaurants. If the projected undiscounted future cash flows are less than the carrying value of the assets, the Company will record an impairment loss, if any, based on the difference between the estimated fair value and the carrying value of the assets. The Company generally measures fair value by considering discounted estimated future cash flows from such assets. Key inputs to determine estimated future cash flows include forecasted sales growth at individual Company-owned restaurants and a discount rate. We use a weighted average cost of capital discount rate to calculate future cash flows. During recent years, we have faced periods of inflation, led by labor inflation and commodity inflation. Some of the impacts of inflation have been offset by menu price increases. Whether we are able and/or choose to offset the effects of inflation may affect our forecasted sales growth at individual Company-owned restaurants. No long-lived assets were deemed impaired during the fiscal years ended March 30, 2025 and March 31, 2024. Cash flow projections and fair value estimates require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record impairment charges in future periods and such impairments could be material.

Impairment of Intangible Asset

The Company's intangible asset consists of the trademarks, and the trade name and other intellectual property in connection with the Arthur Treacher's Fish & Chips brand.

The Company determined its intangible asset to have a finite useful life based on the expected future use of this intangible asset. Based upon the review of its Arthur Treacher's Fish & Chips co-branding agreements, the Company determined that the remaining useful lives of these agreements is three years concluding in fiscal 2028 and the intangible asset is subject to annual amortization. The Company's definite-lived intangible asset is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. The Company tested for recoverability of its definite-lived intangible asset based on the projected undiscounted cash flows to be derived from such co-branding agreements. Assumptions used to determine projected undiscounted cash flows include future trends and projected sales. Based on the quantitative test performed, the Company determined that the definite-lived intangible asset was recoverable and no impairment charge was recorded for the fiscal years ended March 30, 2025 and March 31, 2024. Cash flow and sales projections require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record an impairment charge in future periods and such impairment could be material.

Current Expected Credit Losses ("CECL")

The CECL reserve methodology requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Under CECL, reserves may be established against financial asset balances even if the risk of loss is remote. The Company is exposed to credit losses through its trade accounts receivable.

The Company calculates an allowance for credit losses by pooling its trade accounts receivable based on similar risk characteristics and delinquency status under an aging method at the measurement date. The risk characteristics the Company generally reviews when analyzing its trade accounts receivable pools include the type of receivable (for example, franchise receivable, license receivable, Branded Product Program receivable), payment terms, the Company's previous loss history, current and future economic conditions and the length of time accounts receivables are past due. For those trade accounts receivable that no longer share similar risk characteristics with its pool and potential loss is evident, a specific reserve is recorded.

Reserves can be subject to a degree of judgment and can be subject to macroeconomic factors, including inflation and forecasts of future economic conditions. A change in these factors could have a material impact on the allowance for credit losses.

Customer Rebates

The Company recognizes Branded Product Program revenue at the net sales price, which includes certain estimates for customer rebates. The provision for Branded Product Program rebates is recorded as a reduction from gross sales and reserves for customer rebates are shown as an increase in accrued customer rebates, which is included in current liabilities. Our estimates are based on historical experience, contractual provisions and other factors that we believe are reasonable under the circumstances. Historically, actual customer rebates have not differed materially from estimated amounts.

Income Taxes

The Company's current provision for income taxes is based upon its estimated taxable income in each of the jurisdictions in which it operates, after considering the impact on taxable income of temporary differences resulting from different treatment of items for tax and financial reporting purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and any operating loss or tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those periods in which temporary differences become deductible. Should management determine that it is more likely than not that some portion of the deferred tax assets will not be realized, a valuation allowance against the deferred tax assets would be established in the period such determination was made. We believe that the judgments and estimates made are reasonable. However, if actual results differ from estimated amounts recorded, such differences will impact the income tax provision in the period in which the determination is made.

Uncertain Tax Positions

The Company has recorded liabilities for underpayment of income taxes and related interest and penalties for uncertain tax positions based on the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. Nathan's recognizes accrued interest and penalties associated with unrecognized tax benefits as part of the income tax provision.

New Accounting Standards Not Yet Adopted

See Note B item 24 to the consolidated financial statements included in Part IV, Item 15 of this Form 10-K for a summary of new accounting standards applicable to us.

Results of Operations

Fiscal year ended March 30, 2025 compared to fiscal year ended March 31, 2024

Revenues

Total revenues increased by approximately 7% to $148,182,000 for the fifty-two weeks ended March 30, 2025 ("fiscal 2025") as compared to $138,610,000 for the fifty-three weeks ended March 31, 2024 ("fiscal 2024").

Foodservice sales from the Branded Product Program increased by approximately 6% to $91,828,000 for the fiscal 2025 period as compared to $86,489,000 for the fiscal 2024 period. We estimate that the additional week of operations during fiscal 2024 represented approximately $1,202,000 of additional Branded Product Program sales. During the fiscal 2025 period, the total volume of hot dogs sold in the Branded Product Program increased by approximately 1.2% as compared to the fiscal 2024 period. Our average selling prices increased by approximately 5% as compared to the fiscal 2024 period.

Total Company-owned restaurant sales increased by approximately 5% to $12,714,000 during the fiscal 2025 period as compared to $12,103,000 during the fiscal 2024 period. We estimate that the additional week of operations during fiscal 2024 represented approximately $120,000 of additional sales. Restaurant sales were primarily impacted by higher sales at our Coney Island locations due to an increase in our average check.

License royalties increased by approximately 11% to $37,418,000 in the fiscal 2025 period as compared to $33,581,000 in the fiscal 2024 period. We do not believe that the additional week of operations during fiscal 2024 had a significant impact on license royalties as our licensees continued to report based upon their fiscal reporting periods. Total royalties earned on sales of hot dogs from our license agreement with Smithfield Foods, Inc. at retail and foodservice, increased to $33,589,000 for the fiscal 2025 period as compared to $30,068,000 for the fiscal 2024 period. The increase is due to an 11% increase in retail volume. The net selling price at retail was comparable year over year. The foodservice business earned higher royalties of $109,000 as compared to the fiscal 2024 period. Royalties earned from all other licensing agreements for the manufacture and sale of Nathan's products increased by $316,000 during the fiscal 2025 period as compared to the fiscal 2024 period primarily due to higher royalties earned on sales of French fries, onion rings, proprietary spices, franks-in-a-blanket, mozzarella sticks and bottled mustard offset, in part, by lower royalties earned on sales of pickles.

Franchise fees and royalties decreased by $208,000 to $4,148,000 in the fiscal 2025 period as compared to $4,356,000 in the fiscal 2024 period. Total royalties were $3,767,000 in the fiscal 2025 period as compared to $3,886,000 in the fiscal 2024 period. Royalties earned under the Branded Menu Program were $744,000 in the fiscal 2025 and 2024 periods. Royalties earned under the Branded Menu Program are not based upon a percentage of restaurant sales but are based upon product purchases. Virtual kitchen royalties were $61,000 in the fiscal 2025 period as compared to $81,000 in the fiscal 2024 period. Traditional franchise royalties were $2,962,000 in the fiscal 2025 period as compared to $3,061,000 in the fiscal 2024 period. Franchise restaurant sales declined to $66,905,000 in the fiscal 2025 period as compared to $68,417,000 in the fiscal 2024 period. We estimate that the additional week of operations during fiscal 2024 resulted in $1,215,000 of additional franchise restaurant sales or royalties of approximately $60,000. Comparable domestic franchise sales (consisting of 58 Nathan's locations, excluding sales under the Branded Menu Program) were $51,250,000 during the fiscal 2025 period as compared to $53,108,000 during the fiscal 2024 period.

At March 30, 2025, 230 franchised locations, including domestic, international and Branded Menu Program units were operating. Total franchise fee income was $381,000 in the fiscal 2025 period as compared to $470,000 in the fiscal 2024 period. Domestic franchise fee income was $108,000 in the fiscal 2025 period as compared to $106,000 in the fiscal 2024 period. International franchise fee income was $237,000 in the fiscal 2025 period as compared to $241,000 in the fiscal 2024 period. We recognized $36,000 and $123,000 of forfeited fees in the fiscal 2025 and fiscal 2024 periods, respectively. During the fiscal 2025 period, 25 franchise locations opened and 25 franchised locations closed. During the fiscal 2024 period, 17 franchised locations opened and 19 franchised locations closed.

Advertising fund revenue, after eliminating Company contributions, was $2,074,000 in the fiscal 2025 period as compared to $2,081,000 during the fiscal 2024 period.

Costs and Expenses

Overall, our cost of sales increased by approximately 8% to $89,707,000 in the fiscal 2025 period as compared to $83,182,000 in the fiscal 2024 period. Our gross profit (calculated as total Branded Product sales plus total Company-owned restaurants sales less cost of sales) was $14,835,000 or 14% of sales during the fiscal 2025 period as compared to $15,410,000 or 16% of sales during the fiscal 2024 period.

Cost of sales in the Branded Product Program increased by 9% to $82,462,000 during the fiscal 2025 period as compared to $75,966,000 in the fiscal 2024 period, primarily due to the 1.2% increase in the volume of hot dogs sold, as well as a 7% increase in the average cost per pound of our hot dogs. A shrinking supply of cattle, combined with industry demand and inflationary pressures have resulted in higher commodity prices, including beef and beef trimmings, contributing to the increase in the average cost per pound of our hot dogs. We did not make any purchase commitments for beef during the fiscal 2025 and 2024 periods. If the cost of beef and beef trimmings increases and we are unable to pass on these higher costs through price increases or otherwise reduce any increase in our costs through the use of purchase commitments, our margins will be adversely impacted. With respect to Company-owned restaurants, our cost of sales during the fiscal 2025 period was $7,245,000 or 57% of restaurant sales, as compared to $7,216,000 or 60% of restaurant sales in the fiscal 2024 period. Food and paper costs as a percentage of Company-owned restaurant sales were 25%, down from 28% in the fiscal 2024 period driven, in part, by price increases across most menu offerings. Labor and related expenses as a percentage of Company-owned restaurant sales were 32%, which was comparable to the fiscal 2024 period. Higher wage rates during fiscal 2025 as a result of legislative increases in the New York State minimum wage were offset by price increases across most menu offerings.

Restaurant operating expenses increased by $202,000 to $4,379,000 in the fiscal 2025 period as compared to $4,177,000 in the fiscal 2024 period. The increase is due primarily to higher occupancy expenses of $203,000, higher repairs and maintenance expenses of $41,000, and higher insurance costs of $31,000 which were offset, in part, by lower delivery charges of $62,000.

Depreciation and amortization, which primarily consists of the depreciation of fixed assets, including leasehold improvements and equipment, and the amortization of a definite-lived intangible asset, was $957,000 in the fiscal 2025 period as compared to $1,135,000 in the fiscal 2024 period.

General and administrative expenses decreased by $1,082,000 to $14,530,000 in the fiscal 2025 period as compared to $15,612,000 in the fiscal 2024 period. The reduction in general and administrative expenses was primarily attributable to higher share-based compensation expense of $259,000, and a higher provision for credit losses of $119,000 which were offset by lower professional fees of $291,000 and a cash bonus payout of $1,000,000 to the Company's Executive Chairman of the Board in fiscal 2024.

Advertising fund expense, after eliminating Company contributions, was $2,112,000 in the fiscal 2025 period as compared to $1,998,000 in the fiscal 2024 period.

Other Items

Interest expense of $4,106,000 in the fiscal 2025 period represented interest expense of $1,449,000 and $2,504,000 on the 2025 Notes and the Term Loan borrowings under the Credit Agreement, respectively, and amortization of debt issuance costs of $104,000 and $49,000 on the 2025 Notes and the Term Loan borrowings, respectively.

Interest expense of $5,355,000 in the fiscal 2024 period represented interest expense of $5,010,000 on the 2025 Notes and amortization of debt issuance costs of $345,000.

The reduction in interest expense of $1,249,000 is due primarily to lower outstanding long-term debt and a lower interest rate associated with our Credit Agreement.

During fiscal 2025, the Company refinanced and redeemed the 2025 Notes. In connection with the refinancing, the Company recorded a loss on extinguishment of debt of $334,000 that reflected the write-off of the remainder of the debt issuance costs on the 2025 Notes.

Additionally, the Company made a voluntary principal prepayment of $8,000,000 of its Term Loan borrowings under the Credit Agreement and recorded a loss on debt extinguishment of $55,000 related to the write-off of a portion of previously recorded debt issuance costs on the Term Loan borrowings.

During fiscal 2024, the Company completed the partial redemption, in the principal amount of $20,000,000 of the 2025 Notes. In connection with this transaction, the Company recorded a loss on extinguishment of debt of $169,000 that reflected the write-off of a portion of previously recorded debt issuance costs. See NOTE J – LONG-TERM DEBT in the accompanying consolidated financial statements for further information.

Interest and dividend income of $672,000 in the fiscal 2025 period represented amounts earned by the Company on its interest bearing bank and money market accounts and money market funds as compared to $383,000 in the fiscal 2024 period. The increase is due to higher levels of invested cash earning interest at higher rates in the fiscal 2025 period as compared to the fiscal 2024 period.

Other income, net was $87,000 in the fiscal 2025 period, which primarily relates to sublease income from a franchised restaurant as compared to $86,000 in the fiscal 2024 period.

Provision for Income Taxes

The effective income tax rate for the fiscal 2025 period was 26.7% compared to 28.5% for the fiscal 2024 period. The effective income tax rate for the fiscal 2025 period reflected income tax expense of $8,735,000 recorded on $32,761,000 of pre-tax income. The effective income tax rate for the fiscal 2024 period reflected income tax expense of $7,835,000 recorded on $27,451,000 of pre-tax income. The effective tax rates are higher than the U.S. Federal statutory rates primarily due to state and local taxes, as well as non-deductible executive compensation under the Internal Revenue Code Section 162(m).

The American Rescue Plan Act of 2021 (“ARPA”), among other things, includes provisions to expand the IRC Section 162(m) disallowance for deduction of certain compensation paid by publicly held corporations. Effective for tax years starting after December 31, 2026 (March 29, 2027 for the Company), ARPA expands the limitations to cover the next five most highly compensated employees. We continue to evaluate the potential impact ARPA may have on our operations and consolidated financial statements in future periods.

The amount of unrecognized tax benefits at March 30, 2025 was $532,000 all of which would impact Nathan’s effective tax rate, if recognized. As of March 30, 2025, Nathan’s had $395,000 accrued interest and penalties in connection with unrecognized tax benefits.

Nathan’s estimates that its unrecognized tax benefit excluding accrued interest and penalties could be further reduced by up to $55,000 during the fiscal year ending March 29, 2026, due primarily to the lapse of statutes of limitations which would favorably impact the Company’s effective tax rate, although no assurances can be given in this regard.

Reconciliation of GAAP and Non-GAAP Measures

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 has provided 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 has also provided Adjusted EBITDA, a non-GAAP financial measure, which is defined as EBITDA, excluding (i) 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, which are non-GAAP financial measures, 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.

	Fiscal Year	
(In thousands)	**2025**	2024
Net income	**$ 24,026**	$ 19,616
Interest expense	**4,106**	5,355
Provision for income taxes	**8,735**	7,835
Depreciation and amortization	**957**	1,135
EBITDA	**37,824**	33,941
Loss on debt extinguishment	**389**	169
Share-based compensation	**993**	733
ADJUSTED EBITDA	**$ 39,206**	$ 34,843

Liquidity and Capital Resources

Sources and uses of cash

Cash and cash equivalents at March 30, 2025 aggregated $27,802,000, a $6,775,000 increase during the fiscal 2025 period as compared to cash and cash equivalents of $21,027,000 at March 31, 2024. Net working capital increased to $28,371,000 at March 30, 2025 as compared to $23,203,000 at March 31, 2024.

Our primary sources of liquidity are cash flows from operations. Our primary cash requirements are to fund our quarterly dividends, to satisfy the debt service under our credit facility, capital expenditures, working capital and general corporate needs.

2025 Notes

On May 1, 2024, we paid our first semi-annual interest payment on the 2025 Notes of $1,987,500 for the fiscal 2025 period. On August 13, 2024, in connection with the redemption of all of the outstanding $60,000,000 principal amount of its 2025 Notes, the Company paid its final required interest payment of $1,137,000 on the redeemed 2025 Notes.

Credit Agreement

On September 30, 2024 and December 31, 2024, we paid our quarterly mandatory debt principal repayments of $600,000 each, or $1,200,000 in the aggregate, on our Term Loan borrowings under the Credit Agreement. On October 10, 2024, we made a voluntary principal prepayment of $8,000,000 on our outstanding Term Loan borrowings under the Credit Agreement. The prepayment was primarily funded by operating cash flows. As of March 30, 2025, the Company has made cash interest payments of approximately $2,356,000 on the Term Loan borrowings under the Credit Agreement. Subsequent to the year ending March 30, 2025, on March 31, 2025, the Company paid its next quarterly mandatory debt principal repayment of $600,000.

Summary of Cash Flows

The following table presents a summary of our cash flows from operating, investing and financing activities:

(In thousands)	Fiscal year	
	2025	2024
Net cash provided by operating activities	**$ 25,240**	$ 20,002
Net cash used in investing activities	**(225)**	(313)
Net cash used in financing activities	**(18,240)**	(28,523)
Net increase (decrease) in cash and cash equivalents	**$ 6,775**	$ (8,834)

Operating activities

Cash provided by operations is primarily attributable to net income of $24,026,000 in addition to other non-cash operating items of $2,532,000, offset by changes in other operating assets and liabilities of $1,318,000. Non-cash operating expenses consist principally of a loss on debt extinguishment of $389,000, depreciation and amortization of $957,000, amortization of debt issuance costs of $153,000, share-based compensation expense of $993,000 and a provision for credit losses of $275,000. In the fiscal 2025 period, inventories increased by $379,000 due to timing and Branded Product Program inventory in transit. Prepaid expenses and other current assets decreased by $128,000 due primarily to a decrease in prepaid income taxes of $365,000 which were offset, in part, by an increase in prepaid marketing and insurance expenses of $347,000. Accounts payable, accrued expenses and other current liabilities decreased by $1,227,000 due principally to lower incentive compensation accruals of $253,000 as well as a decrease in accrued interest expense of $1,528,000 resulting from the timing of our debt service payments under our Credit Agreement. Accounts payable increased by $419,000 due to the timing of product purchases for our Branded Product Program and Company-owned restaurants.

Investing activities

Cash used in investing activities of $225,000 is primarily attributable to capital expenditures incurred for our Branded Product Program and our Coney Island restaurants.

Financing activities

In connection with the Company's refinancing of the 2025 Notes, the Company borrowed $60,000,000 in Term Loan borrowings pursuant to the Credit Agreement and simultaneously redeemed the 2025 Notes. We incurred $431,000 of debt issuance costs in connection with this refinancing. During fiscal 2025, we made $1,200,000 of mandatory principal repayments, as well as an $8,000,000 voluntary principal repayment on our Term Loan borrowings under the Credit Agreement. Further, the Company paid its four quarterly cash dividends of $0.50 per share totaling $8,172,000. The Company also paid $437,000 for withholding taxes on the net share vesting of 10,000 restricted stock units.

Credit Agreement

On July 10, 2024 (the "Effective Date"), the Company entered into a five-year unsecured Credit Agreement among the Company, as borrower, direct and indirect subsidiaries of the Company, as guarantors, the lenders from time to time party thereto (the "Lenders") and Citibank, N.A., as administrative agent, swing line lender, L/C issuer and a Lender.

The Credit Agreement provides for a term loan facility ("Term Loan") of $60,000,000 and a revolving credit facility ("Revolving Loan") of up to $10,000,000. The Credit Agreement also provides that the Company has the right from time to time during the term of the Credit Agreement to request the Lenders for incremental revolving loan borrowing increases of up to an additional $10,000,000 in the aggregate, subject to, among other items, the Lenders agreeing to lend any such additional amounts and compliance with terms specified in the Credit Agreement. The Credit Agreement matures on July 10, 2029.

The Company borrowed $60,000,000 in Term Loan borrowings under the Credit Agreement on the Effective Date to refinance and redeem its 2025 Notes. The Company will use any Revolving Loan borrowings under the Credit Agreement for working capital and general corporate purposes. As of March 30, 2025, there were no outstanding borrowings under the Revolving Loan. See NOTE J – LONG TERM DEBT in the accompanying consolidated financial statements for additional information on the Credit Agreement.

Share Repurchases

In 2016, the Board authorized increases to the sixth stock repurchase plan for the repurchase of up to 1,200,000 shares of its common stock on behalf of the Company. As of March 30, 2025, Nathan's has repurchased 1,101,884 shares at a cost of approximately $39,000,000 under the sixth stock repurchase plan. At March 30, 2025, there were 98,116 shares remaining to be repurchased pursuant to the sixth stock repurchase plan. The plan does not have a set expiration date. Purchases under the Company's stock repurchase program may be made from time to time, depending on market conditions, in open market or privately negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the repurchases. There were no stock repurchases during the fiscal 2025 period. We may return capital to our stockholders through stock repurchases, subject to any restrictions in our Credit Agreement, although there is no assurance that the Company will make any repurchases under its existing stock repurchase plan.

Common Stock Dividends

As discussed above, we had cash and cash equivalents at March 30, 2025 aggregating $27,802,000. Our Board routinely monitors and assesses its cash position and our current and potential capital requirements. During the fiscal 2025 period, the Company declared and paid four quarterly dividends of $0.50 per share aggregating $8,172,000.

Effective June 10, 2025, the Board declared its first quarterly cash dividend of $0.50 per share for fiscal 2026 which is payable on July 1, 2025 to stockholders of record as of the close of business on June 23, 2025.

If the Company pays regular quarterly cash dividends for fiscal 2026 at the same rate as declared in the first quarter of fiscal 2026, the Company's total cash requirement for dividends for all of fiscal 2026 would be approximately $8,179,000 based on the number of shares of common stock outstanding at June 5, 2025. The Company intends to declare and pay quarterly cash dividends; however, there can be no assurance that any additional quarterly dividends will be declared or paid or of the amount or timing of such dividends, if any.

Our ability to pay future dividends is limited by the terms of our Credit Agreement. In addition, the payment of any cash dividends in the future are subject to final determination of the Board and will be dependent upon our earnings and financial requirements and the terms of our Credit Agreement.

Purchase Commitments

At March 30, 2025 and March 31, 2024, Nathan's did not have any open purchase commitments to purchase hot dogs. Nathan's may enter into purchase commitments in the future as favorable market conditions become available.

Cash Flow Outlook

We expect that in the future we will make investments in certain existing restaurants, support the growth of the Branded Product and Branded Menu Programs, service the principal and interest obligations under the Credit Agreement, fund our dividend program and may continue our stock repurchase programs, funding those investments from our operating cash flow. We may also incur capital and other expenditures or engage in investing activities in connection with opportunistic situations that may arise on a case-by-case basis. While our Credit Agreement bears interest at a fluctuating interest rate based on SOFR plus a spread adjustment, if the Company makes its fiscal year 2026 cash interest payments on its outstanding Term Loan borrowings at the interest rate effective at March 30, 2025, then during the fiscal year ended March 29, 2026, we expect to make cash interest payments of approximately $2,895,000 on the Term Loan borrowings.

We may from time to time seek to make voluntary principal prepayments of Term Loan borrowings under our Credit Agreement. Such voluntary prepayments, if any, will depend on market conditions, our liquidity requirements, satisfactory compliance of covenants and conditions pursuant to our Credit Agreement and other factors.

Management believes that available cash and cash equivalents and cash generated from operations should provide sufficient capital to finance our operations, satisfy our debt service requirements, fund dividend distributions and, if any, stock repurchases for at least the next 12 months.

Contractual Obligations

At March 30, 2025, we sublet one property to a franchisee that we lease from a third party. We remain contingently liable for all costs associated with this property including rent, property taxes and insurance. We may incur future cash payments with respect to such property, consisting primarily of future lease payments, including costs and expenses associated with terminating such lease.

At March 30, 2025, our contractual obligations primarily consist of the Term Loan borrowings under our Credit Agreement and the mandatory debt principal repayments and the related interest payments, operating leases, and employment agreements with certain executive officers. These contractual obligations impact our short-term and long-term liquidity and capital resource needs. See NOTE J – LONG TERM DEBT and NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS in the accompanying consolidated financial statements for further information.

Inflationary Pressures

Inflationary pressures on labor and rising commodity prices, most notably for beef and beef trimmings, have impacted our consolidated results of operations during the fiscal 2025 period, and this trend may continue into fiscal 2026. Our average cost of hot dogs during the fiscal 2025 period was approximately 7% higher than during the fiscal 2024 period. Our average cost of hot dogs during the fiscal 2024 period was approximately 10% higher than during the fiscal 2023 period. Inherent volatility experienced in certain commodity markets, such as those for beef and beef trimmings due to seasonal shifts, climate conditions, industry demand, inflationary pressures and other macroeconomic factors could have an adverse effect on our results of operations. This impact will depend on our ability to manage such volatility through price increases and product mix. We are unable to predict the future cost of our hot dogs and expect to experience price volatility for our beef products during fiscal 2026. To the extent that beef prices increase as compared to earlier periods, it could impact our results of operations. In the past, we entered into purchase commitments for a portion of our hot dogs to reduce the impact of increasing market prices. We may attempt to enter into similar purchase arrangements for hot dogs and other products in the future.

We have experienced competitive pressure on labor rates as a result of the increase in the minimum hourly wage for fast food workers where our Company-owned restaurants are located. On January 1, 2025, the minimum wage increased from $16.00 to $16.50 in New York City, Long Island and Westchester which will be followed by an additional $0.50 increase in 2026. Further, beginning in 2027, the minimum wage across New York State will increase annually according to the Consumer Price Index. There has also been an increased demand for labor at all levels which has resulted in greater challenges retaining adequate staffing levels at our Company-owned restaurants; our franchised restaurants and Branded Menu Program locations; as well as for certain vendors in our supply chain that we depend on for our commodities. We remain in contact with our major suppliers and to date we have not experienced significant disruptions in our supply chain.

We believe that these increases in the minimum wage and other changes in employment laws have had a significant financial impact on our financial results and the results of our franchisees that operate in New York State. Our business could be negatively impacted if the decrease in margins for our franchisees results in the potential loss of new franchisees or the closing of a significant number of franchised restaurants.

We expect to continue experiencing volatility in oil and gas prices on our distribution costs for our food products and utility costs in the Company-owned restaurants and volatile insurance costs resulting from rising rates.

Continued increases in labor costs, commodity prices and other operating expenses, including health care, could adversely affect our operations. We attempt to manage inflationary pressure, and rising commodity costs, at least in part, through raising prices. Delays in implementing price increases, competitive pressures, consumer spending levels and other factors may limit our ability to offset these rising costs. Volatility in commodity prices, including beef and beef trimmings, could have a significant adverse effect on our results of operations.

The Company's business, financial condition, operating results and cash flows can be impacted by a number of factors, including but not limited to those set forth above in "Management's Discussion and Analysis of Financial Condition and Results of Operations," any one of which could cause our actual results to vary materially from recent results or from our anticipated future results. For a discussion identifying additional risk factors and important factors that could cause actual results to differ materially from those anticipated, also see the discussions in "Forward-Looking Statements", "Risk Factors", and "Notes to Consolidated Financial Statements" in this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Cash and Cash Equivalents

We have historically invested our cash in money market accounts, money market funds or short-term, fixed rate, highly rated and highly liquid instruments which are generally reinvested when they mature. Although these existing investments are not considered at risk with respect to changes in interest rates or markets for these instruments, our rate of return on short-term investments could be affected at the time of reinvestment as a result of intervening events. As of March 30, 2025, Nathan's cash and cash equivalents balance aggregated $27,802,000. Earnings on this cash would increase or decrease by approximately $70,000 per annum for each 0.25% change in interest rates.

Borrowings

On July 10, 2024, we entered into the Credit Agreement and borrowed $60,000,000 in Term Loan borrowings to refinance and redeem the 2025 Notes. Borrowings under our Credit Agreement bear interest at a fluctuating interest rate based on SOFR or a base rate plus a spread adjustment. Accordingly, a rising interest rate environment would result in higher interest expense due on borrowings. A hypothetical 100 bps increase in the interest rate on our $50,800,000 of outstanding unsecured Term Loan borrowings at March 30, 2025 would lead to an increase of approximately $508,000 in cash interest costs over the next twelve months. We currently do not anticipate entering into interest rate swaps or other financial instruments to hedge our borrowings.

Commodity Costs

We are exposed to market price fluctuations in commodities, most notably beef and beef trimmings. Inflationary pressures on commodity prices have directly impacted our consolidated results of operations during fiscal 2025, most notably within our Restaurant Operations and Branded Product Program segments. We expect this trend to continue into fiscal 2026. Our average cost of hot dogs during fiscal 2025 was approximately 7% higher than during fiscal 2024.

We are unable to predict the future cost of our hot dogs and expect to experience price volatility for our beef products during fiscal 2026. Factors that affect beef prices are outside of our control and include foreign and domestic supply and demand, inflation, weather and seasonality. To the extent that beef prices increase as compared to earlier periods, it could impact our results of operations. In the past, we have entered into purchase commitments for a portion of our hot dogs to reduce the impact of increasing market prices. We may attempt to enter into purchase arrangements for hot dogs and other products in the future. Additionally, we expect to continue experiencing volatility in oil and gas prices on our distribution costs for our food products and utility costs in the Company-owned restaurants and volatile insurance costs resulting from rising rates.

We have not attempted to hedge against fluctuations in the prices of the commodities we purchase using future, forward, option or other instruments. As a result, we expect that the majority of our future commodity purchases will be subject to market changes in the prices of such commodities. We have attempted to enter sales agreements with our Branded Product Program customers that are correlated to our cost of beef, thus reducing our market volatility, or have passed through permanent increases in our commodity prices to our Branded Product Program customers that are not on formula pricing, thereby reducing the impact of long-term increases on our financial results.

A short-term increase or decrease of 10% in the cost of our food and paper products for the year ended March 30, 2025 would have increased or decreased our cost of sales by approximately $8,338,000.

Foreign Currencies

Foreign franchisees generally conduct business with us and make payments in United States dollars, reducing the risks inherent with changes in the values of foreign currencies. As a result, we have not purchased future contracts, options or other instruments to hedge against changes in values of foreign currencies and we do not believe fluctuations in the value of foreign currencies would have a material impact on our financial results.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements are submitted as a separate section of this report beginning on Page F-1.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined by Exchange Act Rule 13a-15(e) and Exchange Act Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of March 30, 2025. Based on that evaluation, the Chief Executive Officer, and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as defined by Exchange Act Rule 13a-15(f) and Exchange Act Rule 15d-15(f). Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Management has assessed the effectiveness of our system of internal control over financial reporting as of March 30, 2025. In making this assessment, management used the framework in Internal Control — Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our assessment and the criteria set forth by COSO in 2013, management believes that Nathan's maintained effective internal control over financial reporting as of March 30, 2025. The effectiveness of our internal control over financial reporting as of March 30, 2025, has been audited by CBIZ CPAs P.C., an independent registered public accounting firm which has also audited our consolidated financial statements, as stated in its attestation report which is included herein.

Changes in Internal Controls

There were no changes in our internal controls over financial reporting that occurred during the quarter ended March 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and our Chief Executive Officer and Chief Financial Officer have concluded that such controls and procedures are effective at the reasonable assurance level.

Item 9B. Other Information.

As disclosed in this Annual Report on Form 10-K, the Company's Board of Directors has declared a $0.50 per share dividend payable on July 1, 2025 to shareholders of record at the close of business on June 23**,** 2025.

During the quarter ended March 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

To the Stockholders and Board of Directors of
Nathan's Famous, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Nathan's Famous, Inc. and Subsidiaries' (the "Company") internal control over financial reporting as of March 30, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 30, 2025, based on criteria established in COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet as of March 30, 2025 and the related consolidated statements of earnings, changes in stockholders' deficit, and cash flows and the related notes (collectively referred to as the "financial statements") for the fifty-two week period ended March 30, 2025 of the Company, and our report dated June 10, 2025 expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that degree of compliance with the policies or procedures may deteriorate.

/s/ CBIZ CPAs P.C.

CBIZ CPAs P.C.

New York New York
June 10, 2025

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required in response to this Item is incorporated herein by reference from the discussions under the captions *Proposal 1 – Election of Directors, Corporate Governance Management and Security Ownership* in our proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this Report.

Our Board of Directors has adopted a Financial Officer Code of Ethics applicable to the Company's Chief Executive Officer, Chief Financial Officer and all other members of the Company's Finance Department. This Code of Ethics is posted on the Company's website within a broader Code of Business Conduct and Ethics at www.nathansfamous.com in the Investor Relations section. We intend to satisfy the disclosure requirement under Item 10 of Form 8-K regarding an amendment to, or a waiver from, the provision of our Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions and that relates to any element of such provision of our Code of Ethics by posting such information on our website within four business days of the date of such amendment or waiver. In the case of a waiver, the nature of the waiver, the name of the person to whom the waiver was granted and the date of the waiver will also be disclosed.

Item 11. Executive Compensation.

The information required in response to this Item is incorporated herein by reference from the discussion under the caption *Executive Compensation*, including the Summary Compensation and other tables, Non-Qualified Deferred Compensation, Risk Consideration in our Compensation Programs and 2025 Director Compensation in our proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than
120 days after the end of the fiscal year covered by this Report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required in response to this Item is incorporated herein by reference from the discussion under the caption *Equity Plan Information* and *Security Ownership* in our proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this Report.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required in response to this Item is incorporated herein by reference from the discussion under the caption *Corporate Governance – Director Independence and Corporate Governance – Certain Relationships* and *Related Persons* transactions in our proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this Report.

Item 14. Principal Accountant Fees and Services.

Audit Fees

We were billed by CBIZ CPAs P.C. and Marcum LLP the aggregate amount of approximately $327,000 and $70,000 for fiscal 2025 for fees for professional services rendered for the audit of our annual financial statements and the effectiveness of our internal control over financial reporting, as well as the review of our financial statements included in our Form 10-Q. We were billed by Marcum LLP the aggregate amount of approximately $381,000 for fiscal 2024 for fees for professional services rendered for the audit of our annual financial statements and the effectiveness of our internal control over financial reporting, as well as the review of our financial statements included in our Form 10-Q.

Audit-Related Fees

CBIZ CPAs P.C. or Marcum LLP did not render any audit-related services for fiscal 2025 and 2024, respectively and, accordingly, did not bill for any such services.

Tax Fees

CBIZ CPAs P.C. or Marcum LLP did not render any tax compliance, tax advice or tax planning services for fiscal 2025 and 2024, respectively and, accordingly, did not bill for any such services.

All Other Fees

CBIZ CPAs P.C. or Marcum LLP did not render any other services for fiscal 2025 and 2024, respectively and, accordingly, did not bill for any such services.

Pre-Approval Policies

Our Audit Committee has not adopted any pre-approval policies. Instead, the Audit Committee will specifically pre-approve the provision by CBIZ CPAs P.C. of all audit and non-audit services.

Our Audit Committee approved all of the audit services provided by CBIZ CPAs P.C. and Marcum LLP during fiscal 2025 and 2024, respectively.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) Consolidated Financial Statements

The consolidated financial statements listed in the accompanying index to the consolidated financial statements on Page F-1 are filed as part of this Report.

(2) Financial Statement Schedule

None.

(3) Exhibits

Certain of the following exhibits were previously filed as exhibits to other reports or registration statements filed by the Registrant under the Securities Act of 1933 or under the Securities Exchange Act of 1934 and are therefrom incorporated by reference.

Exhibit No.	Exhibit
3.1	Certificate of Incorporation. (Incorporated by reference to Exhibit 3.1 to Registration Statement on Form S-1 No. 33- 56976.)
3.2	Amendment to the Certificate of Incorporation, filed December 15, 1992. (Incorporated by reference to Exhibit 3.2 to Registration Statement on Form S-1 No. 33-56976.)
3.3	By-Laws, as amended. (Incorporated by reference to Exhibit 3.1 to Form 8-K dated November 1, 2006.)
3.4	First Amendment to By-Laws (Incorporated by reference to Exhibit 3.1 to Form 8-K dated July 6, 2023.)
4.1	Specimen Stock Certificate. (Incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-1 No. 33-56976.)
4.2	Indenture, dated as of November 1, 2017, by and among Nathan's Famous, Inc., certain of its wholly owned subsidiaries, as guarantors, and U.S. Bank Trust Company, National Association (formerly U.S. Bank National Association), as trustee and collateral trustee (including the form of Note (Incorporated by reference to Exhibit 4.1 to the Company's Current Report filed on Form 8-K dated November 1, 2017.)
4.3	Description of Common Stock (incorporated by reference to Exhibit 4.5 to Form 10-K for the year ended March 29, 2020.)
10.1	Leases for premises at Coney Island, New York, as follows: (Incorporated by reference to Exhibit 10.3 to Registration Statement on Form S-1 No. 33-56976.) a) Lease, dated November 22, 1967, between Nathan's Realty Associates and the Company. b) Lease, dated November 22, 1967, between Ida's Realty Associates and the Company.
10.2	Form of Standard Franchise Agreement. (Incorporated by reference to Exhibit 10.12 to Registration Statement on Form S-1 No. 33-56976.)
10.3	***Employment Agreement with Howard M. Lorber, dated as of December 15, 2006. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 15, 2006.)
10.4	***Employment Agreement with Eric Gatoff, dated as of December 15, 2006. (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 15, 2006.)
10.5	***Amendment to Employment Agreement with Eric Gatoff dated August 3, 2010. (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended June 27, 2010.)
10.6	Agreement of Lease between One-Two Jericho Plaza Owner LLC and Nathan's Famous Services, Inc. dated September 11, 2009, (Incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended September 27, 2009.)
10.7	Guaranty by Nathan's Famous, Inc. of Agreement of Lease with One-Two Jericho Plaza Owner LLC dated September 11, 2009, (Incorporated by reference to Exhibit 10.3 to Form 10-Q for the quarter ended September 27, 2009.)

10.8	***2010 Stock Incentive Plan (Incorporated by reference to Exhibit A to Proxy Statement on Schedule 14A dated July 23, 2010).
10.9	***Amendment to 2010 Stock Incentive Plan (Incorporated by reference to Exhibit A to Proxy Statement on Schedule 14A dated July 23, 2012).
10.10	***Amendment to Employment Agreement with Howard M. Lorber, dated November 1, 2012. (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended September 23, 2012).
10.11	***Amendment Number 2, dated December 7, 2017 to Employment Agreement with Howard M. Lorber (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 6, 2017).
10.12	**Letter agreement dated December 5, 2012 between Nathan's Famous Systems, Inc. and John Morrell & Co. (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended December 23, 2012).
10.13	First Amendment to Licensing and Supply Agreement, dated September 22, 2016 between Nathan's Famous Systems, Inc. and John Morrell & Co. (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended September 24, 2017).
10.14	Second Amendment to Licensing and Supply Agreement, dated June 29, 2017 between Nathan's Famous Systems, Inc. and John Morrell & Co. (Incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended September 24, 2017).
10.15	***Restricted Stock Agreement with Eric Gatoff, dated June 4, 2013. (Incorporated by reference to Exhibit 10.27 to Form 10-K for the year ended March 31, 2013.)
10.16	Parity Lien Security Agreement dated as of November 1, 2017, by and among Nathan's Famous, Inc. and Other Assignors Identified therein and U.S. Bank Trust Company, National Association (formerly U.S. Bank National Association), as Collateral Trustee. (Incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended December 24, 2017.)
10.17	***2019 Management Incentive Plan for the Fiscal Year ending March 29, 2020 (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended June 24, 2018).
10.18	***Nathan's Famous, Inc. Code Section 162(m) Bonus Plan (Incorporated by reference to Appendix B to the Proxy Statement on Schedule 14A filed on July 28, 2016).
10.19	Agreement of Sale between Nathan's Famous Operating Corp. and 660 86 LLC dated September 8, 2017. (Incorporated by reference to Exhibit 10.20 to Form 10-K for the year ended March 25, 2018.)
10.20	Amendment to Agreement of Sale between Nathan's Famous Operating Corp. and 660 86 LLC dated March 6, 2018. (Incorporated by reference to Exhibit 10.21 to Form 10-K for the year ended March 25, 2018.)
10.21	Amendment to Agreement of Sale between Nathan's Famous Operating Corp. and 660 86 LLC dated July 15, 2018. (Incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended June 24, 2018.)
10.22	First Amendment to Lease, dated April 1, 2019 by and between Jericho Plaza, LLC and Nathan's Famous Services, Inc. (Incorporated by reference to Exhibit 10.22 to Form 10-K for the year ended March 31, 2019.)
10.23	***2019 Stock Incentive Plan. (Incorporated by reference to Annex A to Proxy Statement on Schedule 14A dated July 26, 2019.)
10.24	***Amendment No. 3 to Employment Agreement dated as of December 8, 2022 between Nathan's Famous, Inc. and Howard M. Lorber (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 9, 2022.)
10.25	Credit Agreement, dated as of July 10, 2024, among Nathan's Famous, Inc., as the Borrower, the Subsidiaries of the Borrower Party hereto, as Guarantors, and Citibank, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and the Other Lenders Party hereto (Incorporated by Reference to Exhibit 10.1 to the Company's Current Report filed on Form 8-K dated July 10, 2024.)
16.1	Letter of Grant Thornton LLP, dated July 6, 2018. (Incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K dated July 6, 2018.)
16.2	Letter from Marcum LLP dated February 20, 2025 (Incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K dated February 20, 2025.)
19.1	Policy on Insider Trading (Incorporated by reference to Exhibit 19.1 to Form 10-K for the year ended March 26, 2023.)
19.2	Policy on Trading Procedures for Covered Individuals (Incorporated by reference to Exhibit 19.2 to Form 10-K for the year ended March 26, 2023.)
21	(1) List of Subsidiaries of the Registrant.

23.1	(1) Consent of CBIZ CPAs P.C. dated June 10, 2025.
23.2	(1) Consent of Marcum LLP dated June 10, 2025.
31.1	(1) Certification by Eric Gatoff, Chief Executive Officer, pursuant to Rule 13a - 14(a).
31.2	(1) Certification by Robert Steinberg, Chief Financial Officer, pursuant to Rule 13a - 14(a).
32.1	(1) Certification by Eric Gatoff, Chief Executive Officer of Nathan's Famous, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	(1) Certification by Robert Steinberg, Chief Financial Officer of Nathan's Famous, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Nathan's Famous, Inc. Clawback Policy (Incorporated by reference to Exhibit 97.1 to Form 10-K for the year ended March 31, 2024.)
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Date File (embedded within the Inline XBRL and contained in Exhibit 101)

(1) Filed herewith.

**Filed with confidential portions omitted pursuant to request for confidential treatment. The omitted portions have been separately filed with the SEC.

*** Indicates a management plan or arrangement.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on the 10th day of June, 2025.

Nathan's Famous, Inc.

/s/ ERIC GATOFF
Eric Gatoff
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 10th day of June, 2025.

/s/ ERIC GATOFF
Eric Gatoff
Chief Executive Officer
(Principal Executive Officer)

/s/ HOWARD LORBER
Howard Lorber
Executive Chairman

/s/ ROBERT STEINBERG
Robert Steinberg
Vice President - Finance and Chief Financial Officer
(Principal Financial and Accounting Officer)

/s/ WAYNE NORBITZ
Wayne Norbitz, Director

/s/ ROBERT J. EIDE
Robert J. Eide, Director

/s/ BARRY LEISTNER
Barry Leistner, Director

/s/ BRIAN GENSON
Brian Genson, Director

/s/ ATTILIO F. PETROCELLI
Attilio F. Petrocelli, Director

/s/ CHARLES RAICH
Charles Raich, Director

/s/ ANDREW LEVINE
Andrew Levine, Director

/s/ JOANNE PODELL
Joanne Podell, Director

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Nathan's Famous, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Nathan's Famous, Inc. and Subsidiaries (the "Company") as of March 30, 2025, the related consolidated statements of earnings, changes in stockholders' deficit and cash flows for the fifty-two week period ended March 30, 2025, and the related notes (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 30, 2025, and the results of its operations and its cash flows for the fifty-two week period ended March 30, 2025, in conformity with accounting principles generally accepted in the United States of America**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of March 30, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013 and our report dated June 10, 2025*,* expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ CBIZ CPAs P.C.

CBIZ CPAs P.C.

We have served as the Company's auditor since 2018 (such date takes into account the acquisition of the attest business of Marcum LLP by CBIZ CPAs P.C. effective November 1, 2024.)

New York, NY
June 10, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Nathan's Famous, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Nathan's Famous, Inc. and Subsidiaries (the "Company") as of March 31, 2024, the related consolidated statements of earnings, changes in stockholders' deficit and cash flows for the fifty-three week period ended March 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and the results of its operations and its cash flows for the fifty-three week period ended March 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Marcum LLP
Marcum LLP

We have served as the Company's auditor from 2018 through 2025.

New York, NY
June 12, 2024

Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 30, 2025	March 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$** 27,802	$ 21,027
Accounts and other receivables, net (Note D)	14,064	14,731
Inventories	1,221	842
Prepaid expenses and other current assets (Note E)	2,048	2,176
Total current assets	45,135	38,776
Property and equipment, net of accumulated depreciation of $12,295 and $11,687, respectively (Note F)	2,114	2,673
Operating lease right-of-use assets (Note K)	4,987	6,203
Goodwill	95	95
Intangible asset, net	522	695
Deferred income taxes (Note H)	510	275
Other assets	113	141
Total assets	**$** 53,476	$ 48,858
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Current portion of long-term debt (Note J)	**$** 2,400	$ -
Accounts payable	6,163	5,744
Accrued expenses and other current liabilities (Note G)	5,969	7,615
Current portion of operating lease liabilities (Note K)	1,923	1,887
Deferred franchise fees	309	327
Total current liabilities	16,764	15,573
Long-term debt, net of unamortized debt issuance costs of $327 and $438, respectively (Note J)	48,073	59,562
Long-term portion of operating lease liabilities (Note K)	3,528	4,937
Other liabilities	927	810
Deferred franchise fees	697	899
Total liabilities	69,989	81,781
COMMITMENTS AND CONTINGENCIES (Note M)		
STOCKHOLDERS' DEFICIT		
Common stock, $.01 par value; 30,000,000 shares authorized; 9,379,025 and 9,374,130 shares issued; and 4,089,510 and 4,084,615 shares outstanding at March 30, 2025 and March 31, 2024, respectively	94	94
Additional paid-in capital	63,492	62,936
Retained earnings (Accumulated deficit)	6,563	(9,291)
Stockholders' equity before treasury stock	70,149	53,739
Treasury stock, at cost, 5,289,515 shares at March 30, 2025 and March 31, 2024	(86,662)	(86,662)
Total stockholders' deficit	(16,513)	(32,923)
Total liabilities and stockholders' deficit	**$** 53,476	$ 48,858

The accompanying notes are an integral part of these consolidated financial statements.

Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except share and per share amounts)

	Fifty-Two weeks ended March 30, 2025	Fifty-Three weeks ended March 31, 2024
REVENUES		
Branded Products	**$** 91,828	$ 86,489
Company-owned restaurants	12,714	12,103
License royalties	37,418	33,581
Franchise fees and royalties	4,148	4,356
Advertising fund revenue	2,074	2,081
Total revenues	148,182	138,610
COSTS AND EXPENSES		
Cost of sales	89,707	83,182
Restaurant operating expenses	4,379	4,177
Depreciation and amortization	957	1,135
General and administrative expenses	14,530	15,612
Advertising fund expense	2,112	1,998
Total costs and expenses	111,685	106,104
Income from operations	36,497	32,506
Interest expense	(4,106)	(5,355)
Loss on debt extinguishment (NOTE J)	(389)	(169)
Interest and dividend income	672	383
Other income, net	87	86
Income before provision for income taxes	32,761	27,451
Provision for income taxes	8,735	7,835
Net income	**$** 24,026	$ 19,616
PER SHARE INFORMATION		
Weighted average shares used in computing net income per share:		
Basic	4,086,000	4,081,000
Diluted	4,095,000	4,087,000
Net income per share:		
Basic	**$** 5.88	$ 4.81
Diluted	**$** 5.87	$ 4.80

The accompanying notes are an integral part of these consolidated financial statements.

Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
Fifty-two weeks ended March 30, 2025 and the Fifty-three weeks ended March 31, 2024

(in thousands, except share and per share amounts)

	Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock, at Cost		Total Stockholders' Deficit
					Shares	Amount	
Balance, March 26, 2023	9,369,235	$ 94	$ 62,565	$ (20,559)	5,289,515	$ (86,662)	$ (44,562)
Cumulative effect of adoption of ASU 2016-13	-	-		(187)	-	-	(187)
Shares issued in connection with share-based compensation plans	4,895	-	-	-	-	-	-
Withholding tax on net share settlement of share-based compensation plans	-	-	(362)	-	-	-	(362)
Dividends on common stock ($2.00 per share)	-	-	-	(8,161)	-	-	(8,161)
Share-based compensation	-	-	733	-	-	-	733
Net income	-	-	-	19,616	-	-	19,616
Balance, March 31, 2024	9,374,130	$ 94	$ 62,936	$ (9,291)	5,289,515	$ (86,662)	$ (32,923)

The accompanying notes are an integral part of these consolidated financial statements.

Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
Fifty-two weeks ended March 30, 2025 and the Fifty-three weeks ended March 31, 2024

(in thousands, except share and per share amounts)

	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock, at Cost		Total Stockholders' Deficit
					Shares	Amount	
Balance, March 31, 2024	9,374,130	**$ 94**	**$ 62,936**	$ (9,291)	5,289,515	$ (86,662)	$ (32,923)
Shares issued in connection with share-based compensation plans	4,895	-	-	-	-	-	-
Withholding tax on net share settlement of share-based compensation plans	-	-	(437)	-	-	-	(437)
Dividends on common stock ($2.00 per share)	-	-	-	(8,172)	-	-	(8,172)
Share-based compensation	-	-	993	-	-	-	993
Net income	-	-	-	24,026	-	-	24,026
Balance, March 30, 2025	9,379,025	**$ 94**	**$ 63,492**	$ 6,563	5,289,515	$ (86,662)	$ (16,513)

The accompanying notes are an integral part of these consolidated financial statements.

Nathan's Famous, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Fifty-Two weeks ended March 30, 2025	Fifty-Three weeks ended March 31, 2024
Cash flows from operating activities:		
Net income	**$ 24,026**	$ 19,616
Adjustments to reconcile net income to net cash provided by operating activities		
Loss on debt extinguishment	389	169
Depreciation and amortization	957	1,135
Amortization of debt issuance costs	153	345
Share-based compensation expense	993	733
Provision for expected credit losses	275	157
Deferred income taxes	(235)	165
Changes in operating assets and liabilities:		
Accounts and other receivables, net	392	(74)
Inventories	(379)	(303)
Prepaid expenses and other current assets	128	(281)
Other assets	28	27
Operating lease assets and liabilities	(157)	(146)
Accounts payable, accrued expenses and other current liabilities	(1,227)	(1,232)
Deferred franchise fees	(220)	(382)
Other liabilities	117	73
Net cash provided by operating activities	25,240	20,002
Cash flows from investing activities:		
Purchases of property and equipment, net	(225)	(313)
Net cash used in investing activities	(225)	(313)
Cash flows from financing activities:		
Proceeds from Credit Facility	60,000	-
Repayment of Senior Secured Notes	(60,000)	(20,000)
Repayment of Credit Facility	(9,200)	-
Debt issuance costs	(431)	-
Dividends paid to stockholders	(8,172)	(8,161)
Payments of withholding tax on net share settlement of share-based compensation plans	(437)	(362)
Net cash used in financing activities	(18,240)	(28,523)
Net increase (decrease) in cash and cash equivalents	6,775	(8,834)
Cash and cash equivalents, beginning of year	21,027	29,861
Cash and cash equivalents, end of year	**$ 27,802**	$ 21,027
Cash paid during the year for:		
Interest	**$** 5,481	$ 5,477
Income taxes	**$** 8,489	$ 8,309

The accompanying notes are an integral part of these consolidated financial statements.

NOTE A - DESCRIPTION AND ORGANIZATION OF BUSINESS

Nathan's Famous, Inc. and subsidiaries (collectively the "Company" or "Nathan's") has historically operated or franchised a chain of retail fast food restaurants featuring the "Nathan's World Famous Beef Hot Dog", crinkle-cut French-fried potatoes and a variety of other menu offerings. Nathan's has also established a Branded Product Program, which enables foodservice retailers to sell select Nathan's proprietary products outside of the realm of a traditional franchise relationship. Nathan's also licenses the manufacture and sale of "Nathan's Famous" packaged hot dogs, crinkle-cut French fries and a number of other products to a variety of third parties for sale to supermarkets, club stores and grocery stores. The Company is also the owner of the Arthur Treacher's Fish & Chips brand. Arthur Treacher's main product is its "Original Fish & Chips" product consisting of fish fillets coated with a special batter prepared under a proprietary formula, deep-fried golden brown, and served with English-style chips and corn meal "hush puppies." The Company considers itself to be a brand marketer of its products to the foodservice and retail industries, pursuant to its various business structures. Nathan's has also pursued co-branding and co-hosting initiatives.

At March 30, 2025, the Company's restaurant system included four Company-owned restaurants (including one seasonal unit) in the New York City metropolitan area and 230 franchised units, located in 17 states and 12foreign countries.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been applied in the preparation of the consolidated financial statements:

1. *Principles of Consolidation*

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and all of its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

2. *Fiscal Year*

The Company's fiscal year ends on the last Sunday in March, which results in a 52 or 53 week reporting period. The fiscal year ended March 30, 2025 was on the basis of a 52 week reporting period and the fiscal year ended March 31, 2024 was on the basis of a 53 week reporting period. All references to years and quarters relate to fiscal periods rather than calendar periods.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Reclassifications

Certain prior year amounts have been reclassified in operating activities within the Consolidated Statements of Cash Flows to conform with the current year presentation. This reclassification does not affect previously reported cash flows from operating activities in the Consolidated Statements of Cash Flows.

4. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management in preparing the consolidated financial statements include the valuation of long lived assets, the valuation of an intangible asset, the allowance for credit losses, customer rebates and the accounting for income taxes. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and other assumptions under the circumstances. Actual results could differ from those estimates.

5. Cash and Cash Equivalents

Cash and cash equivalents principally consist of cash in bank accounts, money market accounts and money market funds. The Company considers money market accounts and money market funds to be cash equivalents. Cash equivalents were $19,400 and $11,330 at March 30, 2025 and March 31, 2024, respectively.

At March 30, 2025 and March 31, 2024, substantially all of the Company's cash balances are in excess of insurance limits of the Federal Deposit Insurance Corporation, or the FDIC. The Company has not experienced any losses in such accounts.

6. Inventories

Inventories, which are stated at the lower of cost or net realizable value, consist primarily of food, beverages, and paper supplies. Cost is determined using the first-in, first-out method.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Major improvements are capitalized, and minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation and amortization are calculated on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining lease term of the related asset. The estimated useful lives are as follows:

Building and improvements (years)	5 – 25
Machinery, equipment, furniture and fixtures (years)	3 – 15
Leasehold improvements (years)	5 – 20

8. Goodwill and Intangible Asset

Goodwill and intangible assets consist of (i) goodwill of $95 resulting from the acquisition of Nathan's in 1987; and (ii) trademarks, and the trade name and other intellectual property of $522 in connection with the Arthur Treacher's brand.

Goodwill is not amortized, but is tested for impairment annually during the fourth quarter, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. As of March 30, 2025 and March 31, 2024 the Company performed its annual quantitative impairment test of goodwill and has determined no impairment is deemed to exist.

Based upon the review of the current Arthur Treacher's co-branding agreements, the Company determined that the remaining useful lives of these agreements is three years concluding in fiscal year 2028, and the intangible asset is subject to annual amortization. The Company has recorded amortization expense of $173 for the fiscal year ending March 30, 2025 and estimates that our annual amortization expense will approximate $173 for each of the next three fiscal years.

The Company's definite-lived intangible asset is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. The Company tested for recoverability of its definite-lived intangible asset based on the projected undiscounted cash flows to be derived from such co-branding agreements. Based on the quantitative test performed, the Company determined that the definite-lived intangible asset was recoverable and no impairment charge was recorded for the fiscal years ended March 30, 2025 and March 31, 2024. Cash flow projections require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record an impairment charge in future periods and such impairment could be material.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Long-lived Assets

Long-lived assets on Company-owned restaurants are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Long-lived assets include property, equipment and right-of-use assets for operating leases with finite useful lives. Assets are grouped at the individual restaurant level, which represents the lowest level for which cash flows can be identified largely independent of the cash flows of other assets and liabilities. The Company generally considers a history of restaurant operating losses to be its primary indicator of potential impairment for individual restaurant locations.

The Company tests for recoverability based on the projected undiscounted cash flows to be derived from such assets. If the projected undiscounted future cash flows are less than the carrying value of the assets, the Company will record on a restaurant-by-restaurant basis, an impairment loss, if any, based on the difference between the estimated fair value and the carrying value of the assets. The Company generally measures fair value by considering discounted estimated future cash flows from such assets. Cash flow projections and fair value estimates require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record impairment charges in future periods and such impairments could be material. No long-lived assets were deemed impaired during the fiscal years ended March 30, 2025 and March 31, 2024.

10. Leases

Determination of Whether a Contract Contains a Lease

We determine if an arrangement is a lease at inception or modification of a contract and classify each lease as either an operating or finance lease at commencement. The Company only reassesses lease classifications subsequent to commencement upon a change to the expected lease term or the contract being modified. Operating leases represent the Company's right to use an underlying asset as lessee for the lease term, and lease obligations represent the Company's obligation to make lease payments arising from the lease.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ROU Model and Determination of Lease Term

The Company uses the right-of-use ("ROU") model to account for leases where the Company is the lessee, which requires an entity to recognize a lease liability and ROU asset on the lease commencement date. A lease liability is measured equal to the present value of the remaining lease payments over the lease term and is discounted using the incremental borrowing rate, as the rate implicit in the Company's leases is not readily determinable. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment. Lease payments include payments made before the commencement date and any residual value guarantees, if applicable. The initial ROU asset consists of the initial measurement of the lease liability, adjusted for any payments made before the commencement date, initial direct costs and lease incentives earned. When determining the lease term, as both lessee and lessor, the Company includes option periods when it is reasonably certain that those options will be exercised.

Significant Assumptions and Judgement

Management makes certain estimates and assumptions regarding each new lease and sublease agreement, renewal and amendment, including, but not limited to, property values, market rents, property lives, discount rates and probable term, all of which can impact (1) the classification and accounting for a lease or sublease as operating or finance, (2) the Rent Holiday and escalations in payment that are taken into consideration when calculating Straight-Line Rent, (3) the term over which leasehold improvements for each restaurant are amortized and (4) the values and lives of adjustments to the initial ROU asset where the Company is the lessee, or favorable and unfavorable leases where the Company is the lessor. The amount of depreciation and amortization, interest and rent expense and income would vary if different estimates and assumptions were used.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Leases

For operating leases, minimum lease payments or receipts, including minimum scheduled rent increases, are recognized as rent expense where the Company is a lessee, or income where the Company is a lessor, as applicable, on a straight-line basis ("Straight-Line Rent") over the applicable lease terms. There is a period under certain lease agreements referred to as a rent holiday ("Rent Holiday") that generally begins on the possession date and ends on the rent commencement date. During a Rent Holiday, no cash rent payments are typically due under the terms of the lease; however, rent expense is recorded for that period on a straight-line basis. The excess of the Straight-Line Rent over the minimum rents paid is included in the ROU asset where the Company is a lessee. The excess of the Straight-Line Rent over the minimum rents received is recorded as a deferred lease asset and is included in "Other Assets" where the Company is a lessor. The Company recorded $15 and $22 in Other Assets at March 30, 2025 and March 31, 2024, respectively. Certain leases contain provisions, referred to as contingent rent ("Contingent Rent"), that require additional rental payments based upon restaurant sales volume. Certain leases may include rent escalations based on inflation indexes. Subsequent escalations subject to such an index and contingent rental payments are recognized as variable lease expense in the period incurred.

Lease cost for operating leases is recognized on a straight-line basis and includes the amortization of the ROU asset and interest expense relating to the operating lease liability. Variable lease cost for operating leases include Contingent Rent and payments for executory costs such as real estate taxes, insurance and common area maintenance, which are excluded from the measurement of the lease liability. Short-term lease cost for operating leases includes rental expense for leases with a term of less than 12 months. Leases with an initial expected term of 12 months or less are not recorded in the Consolidated Balance Sheets and the related lease expense is recognized on a straight-line basis over the lease term. Lease costs are recorded in the Consolidated Statements of Earnings based on the nature of the underlying leases as follows: (1) rental expense related to leases for Company-owned restaurants is recorded to "Restaurant operating expenses," (2) rental expense for leased properties that are subsequently subleased to franchisees is recorded to "Other income, net" and (3) rental expense related to leases for corporate offices and equipment is recorded to "General and administrative expenses."

Rental income for operating leases on properties subleased to franchisees is recorded net of associated lease costs to "Other income, net." At March 30, 2025, the Company leases one site which it in turn subleases to a franchisee, which expires in April 2027 exclusive of renewal options. The Company remains liable for all lease costs when property is subleased to a franchisee.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

The fair value hierarchy, as outlined in the applicable accounting guidance, is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions.

The fair value hierarchy consists of the following three levels:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market
- Level 2 - inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability and reflect the Company's own assumptions

The use of observable market inputs (quoted market prices) when measuring fair value and, specifically, the use of Level 1 quoted prices to measure fair value are required whenever possible. The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Company evaluates its hierarchy disclosures quarterly and based on various factors, it is possible that an asset or liability may be classified differently from year to year.

At March 30, 2025 and March 31, 2024, we did not have any assets or liabilities that were recorded at fair value.

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term nature of those items.

The carrying amount of our long-term debt (see NOTE J – LONG TERM DEBT) also approximates fair value since such borrowings bear interest at variable market rates and is categorized as Level 2. The face and fair value of the 6.625% Senior Secured Notes due 2025 ("2025 Notes") as of March 31, 2024 was $60,000 and $59,903, respectively, and was based upon review of observable pricing in secondary markets as of March 31, 2024. Accordingly, the Company classified it as Level 2.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The majority of the Company's non-financial assets and liabilities are not required to be carried at fair value on a recurring basis. However, the Company is required on a non-recurring basis to use fair value measurements when analyzing asset impairment as it relates to goodwill and its other definite-lived asset and long-lived assets. The Company utilized the income approach (Level 3 inputs) which utilized projected undiscounted cash flows in performing its annual impairment testing of the Company's intangible asset and long-lived assets.

12. *Start-up Costs*

Pre-opening and similar restaurant costs are expensed as incurred and are included in "Restaurant operating expenses" in the accompanying Consolidated Statement of Earnings.

13. *Revenue Recognition - Branded Product Program*

The Company recognizes sales from the Branded Product Program and certain products sold from the Branded Menu Program upon delivery to Nathan's customers via third party common carrier. Rebates provided to customers are classified as a reduction to sales.

14. *Revenue Recognition - Company-owned Restaurants*

Sales by Company-owned restaurants, which are typically paid in cash or with credit card by the customer, are recognized at the point of sale when food and beverage items are sold. Sales are presented net of sales tax collected from customers and remitted to governmental taxing authorities.

15. *Revenue Recognition - License Royalties*

The Company earns revenue from royalties on the licensing of the use of its intellectual property in connection with certain products produced and sold by outside vendors. The use of the Company's intellectual property must be approved by the Company prior to each specific application to ensure proper quality and a consistent image. Revenue from license royalties is generally based on a percentage of sales, subject to certain annual minimum royalties, and is recognized on a monthly basis when it is earned and deemed collectible.

16. *Revenue Recognition - Franchising Operations*

In connection with its franchising operations, the Company receives initial franchise fees, international development fees, royalties, and in certain cases, revenue from sub-leasing restaurant properties to franchisees.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following services are typically provided by the Company prior to the opening of a franchised restaurant:

- Approval of all site selections to be developed.
- Provision of architectural plans suitable for restaurants to be developed.
- Assistance in establishing building design specifications, reviewing construction compliance and equipping the restaurant.
- Provision of appropriate menus to coordinate with the restaurant design and locations to be developed.
- Provision of management training for the new franchisee and selected staff.
- Assistance with the initial operations of restaurants being developed.

The services provided in exchange for these upfront restaurant franchise fees do not contain separate and distinct performance obligations from the franchising right and these initial franchise fees, renewal fees and transfer fees are deferred and recognized over the term of each respective agreement, or upon termination of the franchise agreement.

The services provided in exchange for these international development fees do not contain separate and distinct performance obligations from the franchising right and these international development fees are deferred and recognized over the term of each respective agreement, or upon termination of the franchise agreement. Certain other costs, such as legal expenses, are expensed as incurred.

The Company recognizes franchise royalties on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchisees, including virtual kitchens, when they are earned and deemed collectible.

The Company recognizes royalty revenue from its Branded Menu Program directly from the sale of Nathan's products by its distributors or directly from the manufacturers.

Franchise fees and royalties that are subsequently deemed to be not collectible are recorded as bad debts until paid by the franchisee or until collectability is deemed to be reasonably assured.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following is a summary of franchise openings and closings (excluding virtual kitchens) for the Nathan's franchise restaurant system for the fiscal years ended March 30, 2025 and March 31, 2024:

	March 30, 2025	March 31, 2024
Franchised restaurants operating at the beginning of the period	230	232
Franchised restaurants opened during the period	25	17
Franchised restaurants closed during the period	(25)	(19)
Franchised restaurants operating at the end of the period	230	230

Contract balances

The following table provides information about contract liabilities from contracts with customers:

	March 30, 2025	March 31, 2024
Deferred franchise fees (a)	**$** 1,006	$ 1,226
Deferred revenues, which are included in "Accrued expenses and other current liabilities" (b)	**$** 1,392	$ 1,375

(a) Deferred franchise fees of $309 and $697 as of March 30, 2025 and $327 and $899 as of March 31, 2024 are included in Deferred franchise fees – current and long term, respectively.
(b) Includes $892 of deferred license royalties and $500 of deferred advertising fund revenue as of March 30, 2025 and $875 of deferred license royalties and $500 of deferred advertising fund revenue as of March 31, 2024.

Significant changes in deferred franchise fees for the fiscal years ended March 30, 2025 and March 31, 2024 are as follows:

	March 30, 2025	March 31, 2024
Deferred franchise fees at beginning of period	**$** 1,226	$ 1,608
New deferrals due to cash received and other	161	88
Revenue recognized during the period	(381)	(470)
Deferred franchise fees at end of period	**$** 1,006	$ 1,226

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant changes in deferred revenues for the fiscal years ended March 30, 2025 and March 31, 2024 are as follows:

	March 30, 2025	March 31, 2024
Deferred revenues at beginning of period	**$** 1,375	$ 1,406
New deferrals due to cash received and other	2,577	2,340
Revenue recognized during the period	(2,560)	(2,371)
Deferred revenues at end of period	**$** 1,392	$ 1,375

Anticipated future recognition of deferred franchise fees

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

	Estimate for fiscal year
2026	**$** 309
2027	195
2028	107
2029	71
2030	51
Thereafter	273
Total	**$** 1,006

We have applied the optional exemption, as provided for under ASC Topic 606, "*Revenues from Contracts with Customers,*" which allows us not to disclose the transaction price allocated to unsatisfied performance obligations when the transaction price is a sales-based royalty.

17. Revenue Recognition – National Advertising Fund

The Company maintains a national advertising fund (the "Advertising Fund") established to collect and administer funds contributed for use in advertising and promotional programs for Company-owned and franchised restaurants.

The revenue, expenses and cash flows of the Advertising Fund are fully consolidated into the Company's Consolidated Statements of Earnings and Statements of Cash Flows.

While this treatment impacts the gross amount of reported advertising fund revenue and related expenses, the impact is expected to approximately offset the increase to both revenue and expense, with minimal impact to income from operations or net income because the Company attempts to manage the Advertising Fund to breakeven over the course of the fiscal year. However, any surplus or deficit in the Advertising Fund will impact income from operations and net income.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

18. Business Concentrations and Geographical Information

The Company's accounts receivable consists principally of receivables from franchisees, including virtual kitchens, for royalties and advertising contributions, from sales under the Branded Product Program, and from royalties from retail licensees. At March 30, 2025, three Branded Product customers represented 18%, 14% and 12%, of accounts receivable. At March 31, 2024, three Branded Product customers represented 21%, 15% and 13%, of accounts receivable. One Branded Product customer accounted for 20% and 18% of total revenue for each of the fiscal years ended March 30, 2025 and March 31, 2024, respectively. One retail licensee accounted for 24% and 23% of the total revenue for the fiscal years ended March 30, 2025 and March 31, 2024, respectively.

The Company's primary supplier of hot dogs represented 96% and 95% of product purchases for each of the fiscal years ended March 30, 2025 and March 31, 2024, respectively. The Company's primary distributor of products to its Company-owned restaurants represented 3% of product purchases for each of the fiscal years ended March 30, 2025 and March 31, 2024. If a disruption of service from a primary supplier or distributor was to occur, we could experience short-term increases in our costs while supply or distribution channels were adjusted.

The Company's revenues for the fiscal years ended March 30, 2025 and March 31, 2024 were derived from the following geographic areas:

	March 30, 2025	March 31, 2024
United States	**$ 144,318**	$ 133,205
International	**3,864**	5,405
Total revenues	**$** 148,182	$ 138,610

The Company's revenues for the fiscal years ended March 30, 2025 and March 31, 2024 were derived from the following:

	March 30, 2025	March 31, 2024
Branded Products	**$ 91,828**	$ 86,489
Company-owned restaurants	12,714	12,103
License royalties	**37,418**	33,581
Franchise royalties	3,767	3,886
Franchise fees	381	470
Advertising fund revenue	2,074	2,081
Total revenues	**$** 148,182	$ 138,610

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

19. Advertising

The Company administers an Advertising Fund on behalf of its restaurant system to coordinate the marketing efforts of the Company. Under this arrangement, the Company collects and disburses fees paid by manufacturers, franchisees and Company-owned restaurants for national and regional advertising, promotional and public relations programs. Contributions to the Advertising Fund are based on specified percentages of net sales, generally ranging up to 2.5%. Company-owned restaurant advertising expense, which is expensed as incurred, was $94 and $117, for the fiscal years ended March 30, 2025 and March 31, 2024, respectively, and has been included in "Restaurant operating expenses" in the accompanying Consolidated Statements of Earnings.

20. Share-Based Compensation

At March 30, 2025, the Company had one share-based compensation plan in effect which is more fully described in Note L.2.

The cost of all share-based payments, including grants of restricted stock units and stock options, is recognized in the consolidated financial statements based on their fair values measured at the grant date, or the date of any later modification, over the requisite service period. The Company recognizes compensation cost for unvested stock awards on a straight-line basis over the requisite vesting period.

21. Classification of Operating Expenses

Cost of sales consists of the following:

- The cost of food and other products sold by Company-owned restaurants, through the
- Branded Product Program and through other distribution channels.
- The cost of labor and associated costs of Company-owned restaurants.
- The cost of paper products used in Company-owned restaurants.
- Other direct costs such as fulfillment, commissions, freight and samples.

Restaurant operating expenses consist of the following:

- Occupancy costs of Company-owned restaurants.
- Utility costs of Company-owned restaurants.
- Repair and maintenance and other incidental expenses of Company-owned restaurants.
- Marketing and advertising expenses done locally and contributions to advertising funds for Company-owned restaurants.
- Insurance costs directly related to Company-owned restaurants.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General and administrative expenses consist of the following:

- Payroll and related benefits, incentive compensation expense and share-based compensation.
- Travel expense, marketing, trade show expense and certain other overhead expenses of the various departments that support our operations.
- Corporate administrative functions such as executive management, finance, information technology, legal and professional fees, insurance, corporate rent and certain other overhead expenses of our Corporate office.

22. Income Taxes

The Company's current provision for income taxes is based upon its estimated taxable income in each of the jurisdictions in which it operates, after considering the impact on taxable income of temporary differences resulting from different treatment of items for tax and financial reporting purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and any operating loss or tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those periods in which temporary differences become deductible. Should management determine that it is more likely than not that some portion of the deferred tax assets will not be realized, a valuation allowance against the deferred tax assets would be established in the period such determination was made.

Uncertain Tax Positions

The Company has recorded liabilities for underpayment of income taxes and related interest and penalties for uncertain tax positions based on the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. Nathan's recognizes accrued interest and penalties associated with unrecognized tax benefits as part of the income tax provision.

See Note H for a further discussion of our income taxes.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

23. Adoption of New Accounting Standard

In November 2023, the FASB issued ASU 2023-07, "*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*", which provides guidance to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the guidance enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment and contains other disclosure requirements. The purpose of the guidance is to enable investors to better understand an entity's overall performance and assess potential future cash flows.

The Company adopted ASU 2023-07 during the fourth quarter of fiscal year 2025. The adoption did not have a material impact on our consolidated financial statements. Refer to NOTE I – SEGMENT INFORMATION for the expanded reportable segment disclosures added as a result of the adoption of ASU 2023-07.

24. New Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*", which updates income tax disclosure requirements primarily by requiring specific categories and greater disaggregation within the rate reconciliation table and disaggregation of income taxes paid, net of refunds, by jurisdiction. All entities are required to apply the guidance prospectively, with the option to apply it retrospectively. The guidance is effective for fiscal years beginning after December 15, 2024, which for us is our fiscal year 2026 beginning on March 31, 2025. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "*Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*", which requires the disaggregation of certain expenses in the notes to the financial statements, to provide enhanced transparency into the expense captions presented on the face of the statement of earnings. Additionally, in January 2025, the FASB issued ASU 2025-01, "*Income Statement Reporting Comprehensive Income Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*", which clarified the effective date for non-calendar year-end entities such as us. The guidance is effective for the first annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this Update should be applied either (1) prospectively to financial statements for reporting periods after the effective date of this Update or (2) retrospectively to any or all prior periods presented in the financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For the Company, annual reporting requirements will be effective for our fiscal year 2028 beginning on March 29, 2027 and interim reporting requirements will be effective beginning with our first quarter of fiscal year 2029. The Company is currently evaluating the impact that the new guidance will have on our consolidated financial statements.

The Company does not believe that any recently issued, but not yet effective accounting standards, when adopted, will have a material effect on our consolidated financial statements.

NOTE C – NET INCOME PER SHARE

Basic net income per common share is calculated by dividing net income by the weighted average number of common shares outstanding and excludes any dilutive effect of share-based awards. Diluted net income per common share gives effect to all potentially dilutive common shares that were outstanding during the period. Dilutive common shares used in the computation of diluted income per common share result from the assumed exercise of stock options as determined using the treasury stock method and restricted stock unit awards.

The following chart provides a reconciliation of information used in calculating the per-share amounts for the fiscal years ended March 30, 2025 and March 31, 2024, respectively:

	March 30, 2025	March 31, 2024
Net income	**$** 24,026	$ 19,616
Common Stock:		
Weighted average basic shares outstanding	4,086,000	4,081,000
Effect of dilutive share-based awards	9,000	6,000
Weighted average diluted shares outstanding	4,095,000	4,087,000
Net income per share:		
Basic	**$** 5.88	$ 4.81
Diluted	**$** 5.87	$ 4.80
Anti-dilutive share-based awards	-	10,000

NOTE D - ACCOUNTS AND OTHER RECEIVABLES, NET

Accounts and other receivables, net, consist of the following:

	March 30, 2025	March 31, 2024
Branded product sales	**$** 10,534	$ 10,833
Franchise and license royalties	3,902	4,139
Other	270	162
	14,706	15,134
Less: allowance for credit losses	(642)	(403)
Accounts and other receivables, net	**$** 14,064	$ 14,731

Our provision for credit losses is based on the current expected credit losses model. The Company is exposed to credit losses through its trade accounts receivable. Trade accounts receivable are generally due within 30 days and are stated at amounts due from franchisees, including virtual kitchens, retail licensees and Branded Product Program customers, net of an allowance for credit losses. Accounts that are outstanding longer than the contractual payment terms are generally considered past due.

An allowance for credit losses is determined by pooling the Company's trade accounts receivable based on similar risk characteristics and delinquency status under an aging method at the measurement date. The Company considers both qualitative and quantitative information when developing the estimate including assessments of collectability based on historical trends, the financial condition of the Company's franchisees, licensees and Branded Product Program customers, including any known or anticipated bankruptcies, and an evaluation of current economic conditions, as well as the Company's expectations of conditions in the future.

The Company provides for expected credit losses through a charge to earnings. After the Company has used reasonable collection efforts, it writes off accounts receivable through a charge to the allowance for credit losses.

NOTE D - ACCOUNTS AND OTHER RECEIVABLES, NET (continued)

Changes in the Company's allowance for credit losses for the fiscal years ended March 30, 2025 and March 31, 2024 are as follows:

	March 30, 2025	March 31, 2024
Beginning balance	**$ 403**	$ 480
Cumulative effect of adoption of ASU 2016-13	-	252
Provision for expected credit losses	275	157
Write offs and other	(36)	(486)
Ending balance	**$ 642**	$ 403

NOTE E - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	March 30, 2025	March 31, 2024
Income taxes	**$ 493**	$ 858
Real estate taxes	80	93
Insurance	379	268
Marketing	798	562
Other	298	395
Total prepaid expenses and other current assets	**$ 2,048**	$ 2,176

NOTE F - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	March 30, 2025	March 31, 2024
Land	**$ 123**	$ 123
Building and improvements	1,441	1,414
Machinery, equipment, furniture and fixtures	5,421	5,405
Leasehold improvements	7,418	7,418
Construction-in-progress	6	-
Total property and equipment	14,409	14,360
Less: accumulated depreciation and amortization	(12,295)	(11,687)
Property and equipment, net	**$ 2,114**	$ 2,673

NOTE F - PROPERTY AND EQUIPMENT, NET (continued)

Depreciation and amortization expense related to property and equipment was $784 and $961 for each of the fiscal years ended March 30, 2025 and March 31, 2024, respectively.

NOTE G – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

	March 30, 2025	March 31, 2024
Payroll and other benefits	**$** 3,269	$ 3,522
Accrued rebates	742	693
Rent and occupancy costs	60	78
Deferred revenue	1,392	1,375
Interest	148	1,676
Professional fees	60	56
Sales, use and other taxes	33	41
Other	265	174
Total accrued expenses and other current liabilities	**$** 5,969	$ 7,615

NOTE H – INCOME TAXES

The income tax provision consists of the following for the fiscal years ended March 30, 2025 and March 31, 2024:

	March 30, 2025	March 31, 2024
Federal		
Current	**$** 6,909	$ 5,767
Deferred	(190)	118
Total Federal income tax	6,719	5,885
State and local		
Current	2,060	1,903
Deferred	(44)	47
Total State and local income tax	2,016	1,950
Total provision for income taxes	**$** 8,735	$ 7,835

The income tax provisions for the fiscal years ended March 30, 2025 and March 31, 2024 reflect effective tax rates of 26.7% and 28.5%, respectively.

NOTE H – INCOME TAXES (continued)

The total income tax provision for the fiscal years ended March 30, 2025 and March 31, 2024 differs from the amounts computed by applying the United States Federal income tax rate of 21% to income before income taxes as a result of the following:

	March 30, 2025	March 31, 2024
Income tax provision at the U.S. Federal statutory rate	**$** 6,880	$ 5,765
State and local income taxes, net of U.S. Federal income tax benefit	1,527	1,485
Change in uncertain tax positions, net	116	73
Nondeductible meals and entertainment and other	(72)	(24)
Nondeductible executive compensation	284	536
Total provision for income taxes	**$** 8,735	$ 7,835

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	March 30, 2025	March 31, 2024
Deferred tax assets		
Accrued expenses	**$** 312	$ 303
Allowance for credit losses	159	101
Deferred revenue	246	305
Deferred stock compensation	106	28
Operating lease liability	1,189	1,505
Other	177	151
Total deferred tax assets	**$** 2,189	$ 2,393
Deferred tax liabilities		
Deductible prepaid expense	**$** 125	$ 150
Operating lease right-of-use asset	1,091	1,373
Depreciation expense	360	465
Amortization	103	130
Total deferred tax liabilities	1,679	2,118
Net deferred tax asset	**$** 510	$ 275

NOTE H – INCOME TAXES (continued)

A valuation allowance is provided when it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. We consider the level of historical taxable income, scheduled reversal of temporary differences, tax planning strategies and projected future taxable income in determining whether a valuation allowance is warranted. Based upon these considerations, management believes that it is more likely than not that the Company will realize the benefit of its deferred tax asset.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits, excluding interest and penalties, for the fiscal years ended March 30, 2025 and March 31, 2024:

	March 30, 2025	March 31, 2024
Unrecognized tax benefits, beginning of year	**$** 465	$ 432
Decreases of tax positions taken in prior years	(60)	(19)
Increases based on tax positions taken in current year	127	52
Unrecognized tax benefits, end of year	**$** 532	$ 465

The amount of unrecognized tax benefits included in Other liabilities at March 30, 2025 and March 31, 2024 were $532 and $465, respectively, all of which would impact Nathan's effective tax rate, if recognized. As of March 30, 2025 and March 31, 2024, the Company had $395 and $345, respectively, accrued for the payment of interest and penalties. For the fiscal years ended March 30, 2025 and March 31, 2024, Nathan's recognized interest and penalties in the amounts of $49 and $41, respectively.

During the fiscal year ending March 29, 2026, we believe it is reasonably possible the amount of unrecognized tax benefits, excluding the related accrued interest and penalties, could be reduced by up to $55, due primarily to the lapse of statutes of limitations which would favorably impact Nathan's effective tax rate, although no assurances can be given in this regard.

On August 16, 2022 the United States enacted the Inflation Reduction Act. Among other provisions, this law imposes a 1% excise tax on stock buybacks made after December 31, 2022, with certain exceptions including stock repurchases of less than $1,000 within a tax year. We do not expect this law to have a material impact on our consolidated financial statements.

The American Rescue Plan Act ("ARPA"), among other things, includes provisions to expand the IRC Section 162(m) disallowance for deduction of certain compensation paid by publicly held corporations. Effective tax years starting after December 31, 2026 (March 29, 2027 for the Company), ARPA expands the limitation to cover the next five most highly compensated employees. We continue to evaluate the potential impact ARPA may have on our operations and consolidated financial statements in future periods.

NOTE H – INCOME TAXES (continued)

The earliest tax years that are subject to examination by taxing authorities by major jurisdictions are as follows:

Jurisdiction	Fiscal Year
Federal	2022
New York State	2022
New York City	2022
New Jersey	2021
California	2021

NOTE I – SEGMENT INFORMATION

Nathan's considers itself to be a brand marketer of the Nathan's Famous signature products to the foodservice industry pursuant to its various business structures. Nathan's sells its products directly to consumers through its Restaurant Operations segment consisting of Company-owned and franchised restaurants, including virtual kitchens, to distributors that resell our products to the foodservice industry through the Branded Product Program and by third party manufacturers pursuant to license agreements that sell our products to supermarkets, club stores and grocery stores nationwide.

The Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker ("CODM") who regularly reviews operating results, evaluates performance and allocates resources for the Branded Product Program, Product Licensing and Restaurant Operations segments based upon a number of factors, the primary profit measure being income from operations as reported on the Consolidated Statement of Earnings. The CODM regularly reviews revenues, gross profit and income from operations by segment when evaluating the financial performance of each segment. Significant segment expenses are monitored by the CODM and included in the tables below. Segment asset information is not used by the CODM to assess performance and allocate resources and therefore is not presented. Certain administrative expenses are not allocated to the segments and are reported within the Corporate segment.

Branded Product Program – This segment derives revenue principally from the sale of hot dog products either directly to foodservice operators or to various foodservice distributors who resell the products to foodservice operators.

Product licensing – This segment derives revenue, primarily in the form of royalties, from licensing a broad variety of Nathan's Famous branded products, including our hot dogs, frozen crinkle-cut French fries and additional products through retail supermarkets, grocery channels and club stores throughout the United States.

NOTE I – SEGMENT INFORMATION (continued)

Restaurant operations – This segment derives revenue from the sale of our products at Company-owned restaurants and earns fees and royalties from its franchised restaurants, including its virtual kitchens.

Revenues from operating segments are from transactions with unaffiliated third parties and do not include any intersegment revenues.

Interest expense, loss on debt extinguishment, interest and dividend income and other income, net, 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 CODM.

The following tables summarize segment information and reconcile our segment results to our consolidated results as reported on our Consolidated Statement of Earnings:

March 30, 2025	Branded Product Program	Product Licensing	Restaurant Operations	Corporate	Total
Revenues	91,828	37,418	16,862	2,074	148,182
Less:					
Cost of sales	82,461	-	7,246	-	89,707
Segment gross profit	9,367	37,418	9,616	2,074	58,475
Less (1):					
Restaurant operating expenses (2)	-	-	4,379	-	4,379
Department expenses (3)	956	182	**713**	**410**	2,261
Other general and administration expenses (4)	-	-	-	6,204	6,204
Payroll expense	1,127	-	1,457	3,481	6,065
Depreciation and amortization	148	-	636	173	957
Advertising fund expense	-	-	-	2,112	2,112
Income from operations	7,136	37,236	2,431	(10,306)	36,497
Interest expense	-	-	-	(4,106)	(4,106)
Loss on debt extinguishment	-	-	-	(389)	(389)
Interest and dividend income	-	-	-	672	672
Other income, net	-	-	87	-	87
Income before provision for income taxes	7,136	37,236	2,518	(14,129)	32,761

NOTE I – SEGMENT INFORMATION (continued)

March 31, 2024	Branded Product Program	Product Licensing	Restaurant Operations	Corporate	Total
Revenues	86,489	33,581	16,459	2,081	138,610
Less:					
Cost of sales	75,966	-	7,216	-	83,182
Segment gross profit	10,523	33,581	9,243	2,081	55,428
Less (1):					
Restaurant operating expenses (2)	-	-	4,177	-	4,177
Department expenses (3)	944	182	1,062	403	2,591
Other general and administration expenses (4)	-	-	-	5,783	5,783
Payroll expense	1,151	-	1,643	4,444	7,238
Depreciation and amortization	144	-	700	291	1,135
Advertising fund expense	-	-	-	1,998	1,998
Income from operations	8,284	33,399	1,661	(10,838)	32,506
Interest expense	-	-	-	(5,355)	(5,355)
Loss on debt extinguishment	-	-	-	(169)	(169)
Interest and dividend income	-	-	-	383	383
Other income, net	-	-	86	-	86
Income before provision for income taxes	8,284	33,399	1,747	(15,979)	27,451

(1) The significant expense categories and amounts align with segment-level information that is regularly provided to the CODM.

(2) Includes occupancy expenses, insurance expenses, utility costs, repair and maintenance expense and other Company-owned restaurant expenses.

(3) Includes travel expense, marketing and trade show expense and certain other overhead expenses.

(4) Includes incentive compensation expense, share-based compensation expense, professional fees, occupancy expenses, provision for credit losses and certain other overhead expenses.

NOTE J – LONG-TERM DEBT

Long-term debt consists of the following:

	March 30, 2025	March 31, 2024
6.625% Senior Secured Notes due 2025	**$** -	$ 60,000
SOFR Term Loan Borrowings with an effective interest rate of 5.825%	50,800	-
Total debt	50,800	60,000
Less: unamortized debt issuance costs	(327)	(438)
Total debt, net of debt issuance costs	50,473	59,562
Less: Current portion of long-term debt	(2,400)	-
Long-term debt, net	**$ 48,073**	$ 59,562

Credit Agreement

On July 10, 2024 (the "Effective Date"), the Company entered into a five-year unsecured Credit Agreement (the "Credit Agreement") among the Company, as borrower, direct and indirect subsidiaries of the Company, as guarantors, the lenders from time to time party thereto (the "Lenders") and Citibank, N.A., as administrative agent, swing line lender, L/C issuer and a Lender (capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Credit Agreement).

The Company's mandatory debt principal repayments as of March 30, 2025 were as follows:

Fiscal Year	Amount
2026	$ 2,400
2027	2,400
2028	2,400
2029	2,400
2030	41,200
Total	$ 50,800

Total debt repayments through 2030 exceed the total carrying amount of the Company's debt as of March 30, 2025 because the carrying amount reflects the unamortized portion of debt issuance costs.

NOTE J – LONG-TERM DEBT (continued)

The Credit Agreement provides for a term loan facility ("Term Loan") of $60,000 and a revolving credit facility ("Revolving Loan") of up to $10,000. The Credit Agreement also provides that the Company has the right from time to time during the term of the Credit Agreement to request the Lenders for incremental revolving loan borrowing increases of up to an additional $10,000 in the aggregate, subject to, among other items, the Lenders agreeing to lend any such additional amounts and compliance with terms specified in the Credit Agreement. The Credit Agreement matures on July 10, 2029.

The Company borrowed $60,000 in Term Loan borrowings on the Effective Date to refinance and redeem its outstanding 2025 Notes. The Company completed the redemption of the 2025 Notes on August 13, 2024. The Company will use any Revolving Loan borrowings under the Credit Agreement for working capital and general corporate purposes. As of March 30, 2025, there were no outstanding borrowings under the Revolving Loan.

In connection with the refinancing, the Company recorded a loss on extinguishment of debt of $334 that reflected the write-off of the remainder of the debt issuance costs on the 2025 Notes. Additionally, in connection with the refinancing, the Company incurred $431 of debt issuance costs on the Term Loan borrowings that were capitalized and will be amortized over the term of the Credit Agreement.

Term Loan and Revolving Loan borrowings under the Credit Agreement will bear interest at a rate per annum, at the Company's option, of (a) for Base Rate Loans, the Base Rate plus the Applicable Rate of 0.00% or (b) for Term SOFR Loans, Term SOFR plus the Applicable Rate of 1.40% for one (1), three (3) or six (6) month periods, as selected by the Company in its Loan Notice. The Company will be subject to a commitment fee of 0.20% per annum on the daily amount of the undrawn portion of the Revolving Committed Amount. The interest rate on the Term Loan borrowings at March 30, 2025 was 5.825%.

The Credit Agreement contains customary affirmative covenants and negative covenants and requires the Company to maintain a Consolidated Fixed Charge Ratio not to exceed 1.20 to 1.00 and a Consolidated Net Leverage Ratio not to exceed 3.00 to 1.00, in each case, as of the end of each fiscal quarter. The Company was in compliance with the covenants of the Credit Agreement at March 30, 2025.

The outstanding Term Loan borrowings under the Credit Agreement are payable quarterly in equal installments of 1.0% of the original principal amount of the Term Loan, or $600, beginning September 30, 2024, with the balance payable on the final maturity date. The Company made mandatory principal repayments on the Term Loan of $1,200 during fiscal 2025.

NOTE J – LONG-TERM DEBT (continued)

The outstanding Term Loan borrowings and the Revolving Loan borrowings under the Credit Agreement are voluntarily prepayable by the Company without penalty or premium, provided, that each of the following shall require a mandatory prepayment of outstanding Term Loan borrowings and Revolving Loan borrowings by the Company as follows: (i) 100% of any Net Cash Proceeds in excess of $2,000 individually or in the aggregate over the term of the Credit Agreement in respect of any Extraordinary Receipt provided that the Company shall be permitted to reinvest such Net Cash Proceeds in accordance with the Credit Agreement, (ii) 100% of any Net Cash Proceeds of an Equity Issuance, (iii) 100% of any Net Cash Proceeds from a Debt Issuance and (iv) 100% of any Net Cash Proceeds from the Disposition of certain assets individually, or in the aggregate, in excess of $2,000 in any fiscal year provided that the Company shall be permitted to reinvest such Net Cash Proceeds in accordance with the Credit Agreement.

On October 10, 2024, the Company made a voluntary principal prepayment of $8,000 of its Term Loan borrowings and incurred a loss on debt extinguishment of $55 related to the write-off of a portion of previously recorded debt issuance costs on the Term Loan borrowings.

The Company's obligations under the Credit Agreement are fully and unconditionally guaranteed by all of the Company's wholly-owned subsidiaries.

The Credit Agreement provides that certain Change of Control events constitute an Event of Default. Such an Event of Default entitles the Lenders to, among other things, cause all outstanding debt obligations under the Credit Agreement to become immediately due and payable.

2025 Notes

The Company had $80,000 principal amount of 6.625% Senior Secured Notes outstanding at March 26, 2023 due November 1, 2025. During fiscal 2024, the Company completed the partial redemption of $20,000 of the 2025 Notes by paying cash of $20,177, inclusive of accrued interest of $177, and recognized a loss on early extinguishment of $169 that reflected the write-off of a portion of previously recorded debt issuance costs.

NOTE K – LEASES

The Company is party as lessee to various leases for its Company-owned restaurants and lessee/sublessor to one franchised location property, including land and buildings, as well as leases for its corporate office and certain office equipment.

NOTE K – LEASES (continued)

Company as lessee

The components of the net lease cost for the fiscal years ended March 30, 2025 and March 31, 2024 were as follows:

	March 30, 2025	March 31, 2024
Operating lease cost	**$** 1,598	$ 1,580
Variable lease cost	1,996	1,751
Less: Sublease income, net	(87)	(87)
Total net lease cost	**$** 3,507	$ 3,244

The components of the net lease cost are included on the Consolidated Statement of Earnings for the fiscal years ended March 30, 2025 and March 31, 2024 as follows:

	March 30, 2025	March 31, 2024
Restaurant operating expenses	**$** 2,769	$ 2,535
General and administrative expenses	825	796
Less: Other income, net	(87)	(87)
Total net lease cost	**$** 3,507	$ 3,244

Cash paid for amounts included in the measurement of lease liabilities for the fiscal years ended March 30, 2025 and March 31, 2024 were as follows:

	March 30, 2025	March 31, 2024
Operating cash flows from operating leases	**$** 1,887	$ 1,867

NOTE K – LEASES (continued)

The weighted average remaining lease term and weighted average discount rate for operating leases for the fiscal years ended March 30, 2025 and March 31, 2024 were as follows:

	March 30, 2025	March 31, 2024
Weighted average remaining lease term (years):	3.5	4.4
Weighted average discount rate:	8.474%	8.480%

Future lease commitments to be paid and received by the Company as of March 30, 2025 were as follows:

	Payments Operating Leases	Receipts Subleases	Net Leases
Fiscal year:			
2026	1,923	278	1,645
2027	1,931	281	1,650
2028	1,781	129	1,652
2029	434	118	316
2030	171	122	49
Thereafter	-	255	(255)
Total lease commitments	$ 6,240	$ 1,183	$ 5,057
Less: Amount representing interest	(789)		
Present value of lease liabilities (a)	$ 5,451		

(a) The present value of minimum operating lease payments of $1,923 and $3,528 are included in "Current portion of operating lease liabilities" and "Long-term operating lease liabilities," respectively, on the Consolidated Balance Sheet.

Company as lessor

The components of lease income for the fiscal years ended March 30, 2025 and March 31, 2024 were as follows:

	March 30, 2025	March 31, 2024
Operating lease income, net	$ 87	$ 87

NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS

1. Dividends

The Company paid dividends on common stock of $2.00 per share during each of the fiscal years ended March 30, 2025 and March 31, 2024.

Effective June 10, 2025, the Board declared its first quarterly cash dividend of $0.50 per share for fiscal year 2026, which is payable on July 1, 2025 to stockholders of record as of the close of business on June 23, 2025.

Our ability to pay future dividends is limited by the terms of our Credit Agreement. In addition to the terms of our Credit Agreement, the declaration and payment of any cash dividends in the future are subject to final determination of the Board and will be dependent upon our earnings and financial requirements.

2. Stock Incentive Plan

On September 18, 2019, the Company's shareholders approved the Nathan's Famous, Inc. 2019 Stock Incentive Plan (the "2019 Plan"). The 2019 Plan became effective as of July 1, 2020 (the "Effective Date"). Following the Effective Date, (i) no additional stock awards were granted under the 2010 Plan and (ii) all outstanding stock awards previously granted under the 2010 Plan remained subject to the terms of the 2010 Plan. All awards granted on or after the Effective Date are subject to the terms of the 2019 Plan.

As of the Effective Date, we were able to issue up to: (a) 369,584 shares of common stock under the 2019 Plan which includes: (i) shares that have been authorized but not issued pursuant to the 2010 Plan as of the Effective Date up to a maximum of an additional 208,584 shares and (ii) any shares subject to any outstanding options or restricted stock grants under any plan of the Company that were outstanding as of the Effective Date and that subsequently expire unexercised, or were otherwise forfeited, up to a maximum of an additional 11,000 shares. As of March 30, 2025, there were up to 38,584 shares available to be issued for future option grants or up to 134,808 shares of restricted stock to be granted under the 2019 Plan.

In general, options granted under the Company's stock incentive plans have terms of five or ten years and vest over periods of between three and five years. The Company has historically issued new shares of common stock for options that have been exercised and used the Black-Scholes option valuation model to determine the fair value of options granted at the grant date.

NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS (continued)

Share-based compensation:

The Company recognizes compensation cost for unvested share-based awards on a straight-line basis over the requisite service period. Compensation expense under all share-based awards for the fiscal years ended March 30, 2025 and March 31, 2024 is as follows:

	March 30, 2025	March 31, 2024
Stock options	**$ 318**	$ 58
Restricted stock units	675	675
	$ 993	$ 733

As of March 30, 2025, there was $3,281 of unamortized compensation expense related to share-based awards. The Company expects to recognize this expense over approximately 36 months, which represents the weighted average remaining requisite service periods for such awards.

Stock options:

During the fiscal year ended March 30, 2025, the Company granted options to purchase 110,000 shares at an exercise price of $74.47 per share, all of which expire five years from the date of grant. All such options vest ratable over a four-year period commencing August 19, 2024.

During the fiscal year ended March 31, 2024, the Company granted options to purchase 10,000 shares at an exercise price of $78.00 per share, all of which expire five years from the date of grant. All such options vest ratably over a four year period commencing August 11, 2023.

The weighted average option fair values, as determined using the Black-Scholes option valuation model, and the assumptions used to estimate these values for stock options granted during the fiscal years ended March 30, 2025 and March 31, 2024 were as follows:

	March 30, 2025	March 31, 2024
Weighted-average option fair values	**$ 14.67**	$ 16.23
Expected life (years)	4.4	4.4
Interest rate	3.75**%**	4.31%
Volatility	24.50**%**	24.29%
Dividend yield	2.69**%**	2.56%

NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS (continued)

The expected dividend yield is based on historical and projected dividend yields. The Company estimates volatility based primarily on historical monthly price changes of the Company's stock equal to the expected life of the option. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant. The expected option term is the number of years the Company estimates the options will be outstanding prior to exercise based on expected historical exercise patterns and employment termination behavior.

A summary of the status of the Company's stock options at March 30, 2025 and March 31, 2024 and changes during the fiscal years then ended is presented in the tables below:

March 30, 2025	**Shares**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life**	**Aggregate Intrinsic Value**
Options outstanding – beginning of year	20,000	**$ 73.25**	3.36	**$** 23
Granted	110,000	**$ 74.47**	4.39	**-**
Options outstanding - end of year	130,000	**$** 74.28	4.08	**$** 2,667
Options exercisable - end of year	10,000	**$ 70.88**	1.86	**$** 239

March 31, 2024	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding – beginning of year	20,000	$ 79.20	1.92	$ 40
Granted	10,000	$ 78.00	4.37	-
Expired	(10,000)	$ 89.90	-	-
Options outstanding - end of year	20,000	$ 73.25	3.36	$ 23
Options exercisable - end of year	5,000	$ 68.50	2.36	$ 12

NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS (continued)

Restricted stock units:

A summary of the status of the Company's restricted stock units at March 30, 2025 and March 31, 2024 and changes during the fiscal years then ended are presented in the tables below:

March 30, 2025	**Shares**	**Weighted Average Grant-date Fair value Per share**
Unvested restricted stock units – beginning of year	40,000	**$** 67.59
Vested	(10,000)	**$** 67.59
Unvested restricted stock units – end of year	30,000	**$** 67.59

March 31, 2024	Shares	Weighted Average Grant-date Fair value Per share
Unvested restricted stock units – beginning of year	50,000	$ 67.59
Vested	(10,000)	$ 67.59
Unvested restricted stock units – end of year	40,000	$ 67.59

The aggregate fair value of restricted stock units vested for the fiscal years ended March 30, 2025 and March 31, 2024 was $856 and $710, respectively.

3. Stock Repurchase Programs

In 2016, the Board authorized increases to the sixth stock repurchase plan for the purchase of up to 1,200,000 shares of its common stock on behalf of the Company. As of March 30, 2025, Nathan's had repurchased 1,101,884 shares at a cost of $39,000 under the sixth stock repurchase plan. The Company did not make any stock repurchases during fiscal 2025 and fiscal 2024. At March 30, 2025, there were 98,116 shares remaining to be repurchased pursuant to the sixth stock repurchase plan. The plan does not have a set expiration date. Purchases under the Company's stock repurchase program may be made from time to time, depending on market conditions, in open market or privately negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the repurchases.

NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS (continued)

4. Employment Agreements

Effective January 1, 2007, Howard M. Lorber, previously Chairman of the Board and Chief Executive Officer, assumed the position of Executive Chairman of the Board of Nathan's and Eric Gatoff, previously Vice President and Corporate Counsel, became Chief Executive Officer of Nathan's. In connection with the foregoing, the Company entered into an employment agreement with each of Messrs. Lorber (as amended, the "Lorber Employment Agreement") and Gatoff (as amended, the "Gatoff Employment Agreement").

Mr. Lorber receives a base salary of $1,000. On December 8, 2022, the Company entered into Amendment No. 3 to the Lorber Employment Agreement. Under the amendment, the term of the employment agreement was extended from December 31, 2022 to December 31, 2027. In addition, Mr. Lorber received a grant of 50,000 restricted stock units under the Company's 2019 Stock Incentive Plan which vest in equal installments over five years. The Lorber Employment Agreement provides for a three-year consulting period after the termination of employment during which Mr. Lorber will receive a consulting fee of $200 per year in exchange for his agreement to provide no less than 15 days of consulting services per year, provided, Mr. Lorber is not required to provide more than 50 days of consulting services per year.

The Lorber Employment Agreement provides Mr. Lorber with the right to participate in employment benefits offered to other Nathan's executives. During and after the contract term, Mr. Lorber is subject to certain confidentiality, non-solicitation and non-competition provisions in favor of the Company.

In the event that Mr. Lorber's employment is terminated without cause, he is entitled to receive his salary and bonus for the remainder of the contract term. The Lorber Employment Agreement further provides that in the event there is a change in control, as defined in the agreement, Mr. Lorber has the option, exercisable within one year after such event, to terminate the agreement. Upon such termination, he has the right to receive a lump sum cash payment equal to the greater of (A) his salary and annual bonuses for the remainder of the employment term (including a prorated bonus for any partial fiscal year), which bonus shall be equal to the average of the annual bonuses awarded to him during the three fiscal years preceding the fiscal year of termination; or (B) 2.99 times his salary and annual bonus for the fiscal year immediately preceding the fiscal year of termination, in each case together with a lump sum cash payment equal to the difference between the exercise price of any exercisable options having an exercise price of less than the then current market price of the Company's common stock and such then current market price. In addition, Nathan's will provide Mr. Lorber with a tax gross-up payment to cover any excise tax due.

NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS (continued)

In the event of termination due to Mr. Lorber's disability or death, he or his beneficiary is entitled to receive an amount equal to his salary and annual bonuses for a three-year period, which bonus shall be equal to the average of the annual bonuses awarded to him during the three fiscal years preceding the fiscal year of termination.

Under the terms of the Gatoff Employment Agreement, Mr. Gatoff initially served as Chief Executive Officer from January 1, 2007 until December 31, 2008, which period automatically extends for additional one-year periods unless either party delivers notice of non-renewal no less than 180 days prior to the end of the term then in effect. Consequently, the Gatoff Employment Agreement is expected to be extended through December 31, 2026, based on the original terms, and no non-renewal notice has been given.

Pursuant to the agreement, Mr. Gatoff receives a base salary, currently $625 and an annual bonus based on his performance measured against the Company's financial, strategic and operating objectives as determined by the Compensation Committee. The Gatoff Employment Agreement provides for an automobile allowance and the right of Mr. Gatoff to participate in employment benefits offered to other Nathan's executives. The employment agreement automatically extends for successive one-year periods unless notice of non-renewal is provided in accordance with the agreement. During and after the contract term, Mr. Gatoff is subject to certain confidentiality, non-solicitation and non-competition provisions in favor of the Company.

Each employment agreement terminates upon death or voluntary termination by the respective employee or may be terminated by the Company on up to 30-days' prior written notice by the Company in the event of disability or "cause," as defined in each agreement.

5. Defined Contribution and Union Pension Plans

The Company has a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code covering all nonunion employees over age 21, who have been employed by the Company for at least one year. Employees may contribute to the plan, on a tax-deferred basis, up to 20% of their total annual salary. Historically, the Company has matched contributions at a rate of $.25 per dollar contributed by the employee on up to a maximum of 3% of the employee's total annual salary. Employer contributions for the fiscal years ended March 30, 2025 and March 31, 2024 were $34 and $38 and are included in general and administrative expenses on the Consolidated Statements of Earnings.

NOTE L – STOCKHOLDERS' EQUITY, STOCK PLANS AND OTHER EMPLOYEE BENEFIT PLANS (continued)

The Company participates in a noncontributory, multi-employer, defined benefit pension plan (the "Union Plan") covering substantially all of the Company's union-represented employees. The risks of participating in the Union Plan are different from a single-employer plan in the following aspects: (a) assets contributed to the Union Plan by one employer may be used to provide benefits to employees of other participating employers; (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (c) if the Company chooses to stop participating in the Union Plan, the Company may be required to pay the Union Plan an amount based on the underfunded status of the Union Plan, referred to as a withdrawal liability. The most recent estimate of our potential withdrawal liability is $329 as of December 31, 2024. The Company has no plans or intentions to stop participating in the plan as of March 30, 2025 and does not believe that there is a reasonable possibility that a withdrawal liability will be incurred. Any adjustment for withdrawal liability will be recorded only when it is probable that a liability exists and can be reasonably estimated, in accordance with GAAP. Contributions to the Union Plan were $9 and $8 for the fiscal years ended March 30, 2025 and March 31, 2024, respectively.

6. Other Benefits

The Company provides, on a contributory basis, medical benefits to active employees. The Company does not provide medical benefits to retirees.

NOTE M – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company and its subsidiaries are from time to time involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, cash flows or results of operations. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company's results of operations for the period in which the ruling occurs.

NOTE N - RELATED PARTY TRANSACTIONS

A firm to which the Company's Executive Chairman of the Board is as an investor, and the firm's affiliates, received ordinary and customary insurance commissions aggregating approximately $11 for the fiscal year ended March 31, 2024.

NOTE O - SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the consolidated financial statements were issued and filed with the U.S. Securities and Exchange Commission. There were no subsequent events that required recognition or disclosure.

Exhibit 21

Nathan's Famous, Inc.
SUBSIDIARIES

Company Name	State of Incorporation
Nathan's Famous Operating Corp.	Delaware
Nathan's Famous Systems, Inc.	Delaware
Nathan's Famous Services, Inc.	Delaware
Nathan's Famous of Times Square, Inc.	New York
Nathan's Famous of New Jersey, Inc.	New Jersey
Nathan's Roadside Rest, Inc.	New York
Nathan's Famous of Yonkers, Inc.	New York
Nathan's Famous of Kings Plaza, Inc.	New York
Nathan's Famous of Farmingdale, Inc.	New York
Namasil Realty Corp.	New York
Nathan's Famous of Lynbrook, Inc.	Delaware
NF Treachers Corp.	Delaware
6300 NW 31st Avenue Corp.	Florida
Nathan’s Famous of Central Park Avenue, Inc.	Delaware
Nathan’s Famous Systems of Russia, Inc.	Delaware
Nathan's Famous of 2807 Long Beach Road, Inc.	Delaware
Nathan’s Famous of Pennsylvania, Inc.	Pennsylvania

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 [File Nos. 333-1847222, 333-177736, and 333-240196] of our reports dated June 10, 2025 with respect to the financial statements of Nathan's Famous, Inc. and Subsidiaries (the "Company") and the effectiveness of internal control over financial reporting of the Company included in this Annual Report on Form 10-K for the year ended March 30, 2025.

/s/ CBIZ CPAs P.C.

New York, New York
June 10, 2025

Exhibit 23.2

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statements of Nathan's Famous, Inc. and Subsidiaries on Form S-8 [File Nos. 333-1847222, 333-177736, and 333-240196] of our report dated June 12, 2024, with respect to our audit of the consolidated financial statements of Nathan's Famous, Inc. and Subsidiaries as of March 31, 2024 and for the fifty-three week period ended March 31, 2024, which report is included in the Annual Report on Form 10-K of Nathan's Famous, Inc. for the fifty-three week period ended March 31, 2024.

/s/ Marcum LLP
Marcum LLP

New York, NY
June 10, 2025

Exhibit 31.1

CERTIFICATION

I, Eric Gatoff, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended March 30, 2025 of Nathan's Famous, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 10, 2025

/s/ ERIC GATOFF
Eric Gatoff
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Robert Steinberg, certify that:

1. I have reviewed this annual report on Form 10-K for the fiscal year ended March 30, 2025 of Nathan's Famous, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 10, 2025

/s/ ROBERT STEINBERG
Robert Steinberg
Vice President - Finance and
Chief Financial Officer
(Principal Financial and
Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Gatoff, Chief Executive Officer of Nathan's Famous, Inc., certify that:

The annual report on Form 10-K of Nathan's Famous, Inc. for the fiscal year ended March 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Nathan's Famous, Inc.

/s/ ERIC GATOFF
Name: Eric Gatoff
Chief Executive Officer
(Principal Executive Officer)
Date: June 10, 2025

A signed original of this written statement required by Section 906 has been provided to Nathan's Famous, Inc. and will be retained by Nathan's Famous, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Steinberg, Chief Financial Officer of Nathan's Famous, Inc., certify that:

The annual report on Form 10-K of Nathan's Famous, Inc. for the fiscal year ended March 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Nathan's Famous, Inc.

/s/ ROBERT STEINBERG
Name: Robert Steinberg
Vice President - Finance and
Chief Financial Officer
(Principal Financial and
Accounting Officer)
Date: June 10, 2025

A signed original of this written statement required by Section 906 has been provided to Nathan's Famous, Inc. and will be retained by Nathan's Famous, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.