

BAGGER DAVE'S BURGER TAVERN, INC.

A Nevada Corporation

**405 Main Avenue West, 2D
West Fargo, ND 58078**

QUARTERLY REPORT FOR THE PERIOD ENDING December 31, 2023

(612) 229-8811

www.baggerdaves.com

kbrimmer@itsburgertime.com

Annual and Quarterly Report

For the 12 months and 13-week period ending December 31, 2023 (the "Reporting Period")

CUSIP No: 056646-12

Outstanding Shares

The number of shares outstanding of our Common Stock was:

27,909,635 as of December 31, 2023

26,909,635 as of December 25, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

The Company was incorporated in Nevada on May 27, 2016, and is currently in active status with the State.

The Company was spun off from Diversified Restaurant Holdings, Inc. on December 25, 2016, via a one-for-one distribution of common shares in Bagger Dave's to DRH shareholders of record on December 19, 2016.

Since its inception, the SEC has not issued any trading suspension orders regarding the Issuer or its predecessors.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceedings in the past five years?

Yes: No:

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: **NONE**

Address of the Issuer's principal executive office:

405 Main Avenue West
Suite 2D
West Fargo ND 58078

The address(es) of the Issuers' place of business:

Issuer owns and operates six restaurants at the following addresses:

2972 Coolidge Highway, Berkley, Michigan 48072
8827 Main Street, Birch Run, Michigan 48415
2817 Kraft Avenue SE, Cascade Twp., Michigan 49512
5299 Cornerstone North Blvd., Centerville, Ohio 45458
50570 Gratiot Avenue, Chesterfield Twp., Michigan 48051
2886 E. Dupont Road, Fort Wayne, Indiana 46825

Address of the issuer's principal place of business:

Check if the principal executive office and principal place of business are at the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Pacific Stock Transfer Co.

PHONE: (702) 361-3033

Email: Joslyn Claiborne - Joslyn@pacificstocktransfer.com

6725 Via Austi Pkwy, Suite 300
Las Vegas, NV 89119

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading Symbol: BDVB

Exact title and class of securities outstanding: Common Stock

CUSIP: 056645-12

Par or stated value: \$.0001

Total Shares authorized: Common stock 100,000,000.

Total Shares Outstanding: Common Stock: 27,909,635 as of December 31, 2023

Total Number of Shareholders of record as of December 31, 2023: 235

All additional class(es) of publicly traded securities (if any):

Preferred Stock Class A: 0 shares outstanding as of December 31, 2023

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Preferred	
Par or stated value:	.0001	
Total shares authorized:	10,000,000	as of date: December 31, 2023
Total shares outstanding:	0	as of date: December 31, 2023
Total number of shareholders of record:	0	as of date: December 31, 2023

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.** STANDARD RIGHTS FOR COMMON STOCK PROVIDED BY STATUTE.
2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.** NONE ISSUED – PREFERENTIAL VOTING FOR PREFREED SHARES EQUAL 6 VOTES PER SHARE AND PREFERENCE ON LIQUIDATION, NO ADDITIONAL PREFERENCE, ALTHOUGH A CONVERTIBILITY FEATURE.
3. **Describe any other material rights of common or preferred stockholders.** NONE
4. **Describe any material modifications to the rights of the holders of the company's securities that have occurred over the reporting period covered by this report.** NONE

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years.

No: Yes: (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance:</u> Date <u>12/31/2021</u> Common: <u>26,909,635</u> Preferred: <u>0</u>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or canceled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registrati on Type.
<u>10/1/2023</u>	<u>ISSUANCE</u>	<u>1,000,000</u>	<u>COMMON</u>	<u>.09</u>	<u>NO</u>	<u>MICHAEL SOLOMON</u>	<u>CONSULTANT</u>	<u>RESTRICTED</u>	<u>EXEMPT</u>
<u>6/2/2022</u>	<u>PFD SHARES CANCELED</u>	<u>4,882,304</u>	<u>PREFERRED</u>	—	<u>NO</u>	—	<u>Cancellation</u>	—	<u>N/A</u>
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date <u>12/31/2023</u> Common: <u>27,909,635</u> Preferred: <u>0</u>									

***Control persons for any entities in the table above must be disclosed in the table or in a footnote here.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities : **NONE**

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
—	—	—	—	—	—	—	—

***Control persons for any entities in the table above must be disclosed in the table or in a footnote here.

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Bagger Dave's first restaurant opened in January 2008 in Berkley, Michigan. There are six Bagger Dave's restaurants in operation: four in Michigan, one in Indiana, and one in Ohio. Bagger Dave's owns all rights related to the Bagger Dave's concept. Bagger Dave's is a multi-service casual restaurant and bar concept. The concept provides a warm, inviting and entertaining atmosphere through a friendly guest experience with great fresh food prepared with local ingredients.

B. List any subsidiaries, parent company, or affiliated companies.

Bagger Dave's is 40% owned by BT Brands, Inc. (Nasdaq: BTBD). There are no additional subsidiaries, parents, or affiliated companies.

C. Describe the issuers' principal products or services.

Bagger Dave's specializes in burgers, all-natural lean turkey burgers, hand-cut fries, locally crafted beers on draft, milkshakes, salads, black bean turkey chili, pizza with hot oil, and much more, delivered in a warm atmosphere with friendly service. The concept seeks to differentiate itself with a focus on a fresh food offering.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Issuer owns and, under triple net long-term lease agreements, operates six full-service restaurants ranging from 4000 to 5000 square feet with approximately 175 seats and a full bar licensed with a full liquor license at the following addresses:

2972 Coolidge Highway, Berkley, Michigan 48072
8827 Main Street, Birch Run, Michigan 48415
2817 Kraft Avenue SE, Cascade Twp., Michigan 49512
5299 Cornerstone North Blvd., Centerville, Ohio 45458
50570 Gratiot Avenue, Chesterfield Twp., Michigan 48051
2886 E. Dupont Road, Fort Wayne, Indiana 46825

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
BT BRANDS, INC.	Shareholder exceeds 5%	WEST FARGO, ND	11,095,085	Common	39.75%	Controlling Shareholder
Gary Copperud	Officer/Director	WEST FARGO, ND				Also, Officer of BT Brands, Inc
Kenneth Brimmer	Officer/Director	WEST FARGO, ND				Also, Officer of BT Brands, Inc.
Michael Lichocki	Director/President of Operations	Detroit, MI	297,333	Common	1.065%	

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NONE

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NONE

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NONE

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NONE

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NONE

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NONE

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief

sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: **Richard W. Jones**
Address 1: Jones & Haley, P.C
Address 2: 750 Hammond Drive
Atlanta, Georgia 30328-6723

Phone: 770-804-0500

Email: jones@corplaw.net Securities Counsel

Accountant or Auditor

The financial statements for this reporting period were prepared by:

Name: **DAVID LIGOTTI, ACCOUNTANT**
Firm: OAKWOOD BUSINESS SERVICES, LLC
Address 1: 9864 E. Grand River Ste 110-196
Brighton, MI 48116

Phone: 734-327-0300

Email: josh@oakwoodsolutions.com

Investor Relations: **NONE.**

All other means of Investor Communication: **NONE**

Other Service Providers

Provide the name of any other service provider(s) that **assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

NONE.

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **KENNETH BRIMMER**
Title: **CFO**
Relationship to Issuer: **CHIEF ACCOUNTING OFFICER, CFO**

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **JOSHUA PALMER**
Title: **ACCOUNTANT, OAKWOOD BUSINESS SERVICES**
Relationship to Issuer: **OUTSIDE ACCOUNTING SERVICES**

Describe the qualifications of the person or persons who prepared the financial statements:⁵ **MR PALMER IS AN EXPERIENCED FULL-TIME ACCOUNTANT OPERATING UNDER THE SUPERVISION OF THE OWNER-OPERATOR OF OAKWOOD BUSINESS SERVICES, WHICH PROVIDES THIRD-PARTY ACCOUNTING AND FINANCIAL STATEMENT PREPARATION. THE OAKWOOD FIRM AND MR. PALMER ARE FOCUSED ON PROVIDING ACCOUNTING SERVICES TO RESTAURANT OPERATORS.**

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

BAGGER DAVE'S BURGER TAVERN, INC
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	December 31, 2023	December 25, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,398,616	\$ 1,587,778
Accounts receivable	32,684	32,830
Inventory	124,284	123,292
Prepaid assets	51,258	7,496
Total current assets	1,606,842	1,751,396
Property and equipment, net	2,736,476	3,716,917
Intangible assets, net	157,088	161,793
Other Long-Term Assets	414	414
Deferred Tax Asset	264,681	126,919
Total assets	\$ 4,765,501	\$ 5,757,439
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 31,583	\$ 95,718
Accrued compensation	141,991	125,045
Other accrued liabilities	451,205	495,174
Current portion of deferred rent	5,106	15,500
Total current liabilities	629,865	731,437
Deferred rent, less current portion	39,459	44,565
Other liabilities, less current portion	1,850,807	1,926,190
Long Term Debt	140,020	189,456
Deferred Tax Liabilities	0	0
Total liabilities	2,660,171	2,891,648
Commitments and contingencies		
Stockholders' equity		
Common stock \$.0001 par value; 100,000,000 shares authorized; 27,909,635 outstanding as of December 31, 2023 and 26,909,635 shares issued and outstanding at December 25, 2022	2,791	2,691
Additional paid-in capital	376,407	285,507
Retained Earnings	1,657,107	2,509,568
Treasury stock	68,025	68,025
Total stockholders' equity	2,105,330	2,865,791
Total liabilities and stockholders' equity	\$ 4,765,501	\$ 5,757,439

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BAGGER DAVE'S BURGER TAVERN, INC

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Month Ended		Twelve Months Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
Revenue	\$2,125,646	\$1,874,719	\$7,954,854	\$ 7,679,411
Operating expenses				
Restaurant operating costs:				
Food, beverage, and paper costs	620,681	555,723	2,394,265	2,404,717
Compensation costs	840,758	766,293	3,208,938	3,184,206
Occupancy costs	163,939	122,013	650,292	618,469
Other operating costs	509,847	421,030	1,826,967	1,753,904
General and administrative expenses	102,050	17,940	226,217	98,825
Depreciation and amortization	164,157	163,533	656,067	652,174
Total operating expenses	2,401,432	2,046,532	8,962,746	8,712,295
Operating loss	(275,786)	(171,813)	(997,892)	(986,661)
Interest and other income, net	20,099	1,321	54,417	46,223
Loss before income taxes	(255,687)	(170,492)	(973,475)	(887,626)
Provision for income taxes (benefit)	(23,109)	(28,872)	(44,003)	(46,661)
Net loss	\$(233,684)	\$(141,620)	\$(852,461)	\$(887,626)
Basic loss per share	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.03)
Loss per share (fully diluted)	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.03)
Weighted average number of common shares outstanding				
Basic	27,159,635	26,909,635	27,909,635	26,909,635
Diluted	27,909,635	26,909,635	26,909,635	26,909,635

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BAGGER DAVE'S BURGER TAVERN, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

	Number of Shares of Common Stock	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Total Stockholders' Equity
Balance - December 25, 2022	27,104,927	\$2,791	\$ 286,507	\$ 68,025	\$2,509,568	\$ 2,865,791
Additional Paid in Capital	0	100	89,900	0	0	90,000
Net loss	0	0	0	0	(852,461)	(852,461)
Balance – December 31, 2023	27,104,927	\$ 2,791	\$ 376,407	\$ 68,025	\$ 1,657,107	\$ 2,105,330

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BAGGER DAVE'S BURGER TAVERN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

	Twelve Months Ended,	
	December 31, 2023	December 25, 2022
Cash flows provided by (used in) operating activities-		
Net loss	\$ (852,461)	\$ (887,626)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	656,067	652,174
Realized gain on sale-leaseback	(14,686)	-
Deferred income taxes	(137,762)	(122,080)
Changes in operating assets and liabilities that provided (used) cash-		
Accounts receivable	146	1,234,810
Inventory	(992)	(26,383)
Prepaid expenses	(43,762)	60,148
Intangible assets	369,645	344,480
Accounts payable	(64,135)	(163,793)
Accrued liabilities	(25,023)	(25,023)
Other long-term liabilities	(60,697)	(374,495)
Deferred rent	(15,500)	(14,209)
Net cash provided by (used in) operating activities	(189,160)	677,724
Cash flows from investing activities		
Purchases of property and equipment	(40,566)	(29,765)
Net cash used in investing activities	(40,566)	(29,765)
Cash flows from financing activities		
Note payable borrowings	(49,436)	(49,727)
Common Stock Issuance	90,000	-
Net cash provided by financing activities	40,564	(49,727)
Net increase (decrease) in cash and cash equivalents	(189,162)	598,232
Cash and cash equivalents, beginning of period	1,587,778	989,546
Cash and cash equivalents, end of period	\$1,398,616	\$1,587,778

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Bagger Dave's Tavern is a casual restaurant and bar concept. Its first restaurant opened in January 2008 in Berkley, Michigan. As of December 31, 2023, there were six Bagger Dave's restaurants in operation: four in Michigan, one in Indiana and one in Ohio. We have worked to create a concept that provides a warm, inviting, and entertaining atmosphere through a friendly and memorable guest experience.

Bagger Dave's specializes in burgers, all-natural lean turkey burgers, hand-cut fries, locally crafted beers on draft, hand-dipped milkshakes, salads, black bean turkey chili, newly introduced pizza with hot oil and much more, delivered in a warm, hip atmosphere with friendly service.

The Company headquarters are located in the offices of BT Brands, Inc. at 405 Main Avenue West, Suite 2D, West Fargo, North Dakota 58078. We can also be found on the Internet at www.baggerdaves.com.

We follow accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles in the United States of America ("GAAP") that we follow to ensure we consistently report our financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("ASC").

Basis of Presentation

These consolidated financial statements include the accounts of Bagger Dave's Burger Tavern, Inc., and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated.

Fiscal Year

The Company utilizes a 52 or 53-week accounting period that ends on the last Sunday in December. Fiscal year 2023 is comprised of 53 weeks. The fourth quarter of 2023 ended on December 31, 2023, and comprised 14 weeks, and the fourth quarter of 2022 ended on December 25, 2022, and comprised 13 weeks.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand bank deposits. The Company considers all highly liquid investments purchased with three months or less original maturities as cash and cash equivalents. At times throughout the year, the company may maintain cash balances in excess of federally insured limits in the ordinary course of business. Management does not believe the Company is exposed to unusual risks on such deposits.

Accounts Receivable

Accounts receivable consist of amounts due from third-party delivery services of \$32,684 and \$32,830 in the quarters ended December 31, 2023, and December 25, 2022, respectively. No allowance for doubtful accounts was necessary at either date.

Gift Cards

The Company records Bagger Dave's gift card sales as a gift card liability when sold. The gift card liability account is offset when redeemed by recording the transaction as revenue. Michigan law states that gift cards cannot expire, and any post-sale fees cannot be assessed until five years after the date of gift card purchase by the consumer. The Company believes its historical breakage percentage is approximately 15 percent. Furthermore, based on historical redemption patterns, the Company believes that the redemption of gift cards from closed locations is immaterial.

Therefore, gift card liability is adjusted for breakage based on redemptions of gift cards at continuing operations and unredeemed gift cards from closed locations. Breakage income is recognized for this adjustment.

The Company's gift card liability was \$53,787 as of December 31, 2023, and \$56,599 as of December 25, 2022, respectively, and is included in other accrued liabilities on the Consolidated Balance Sheets.

Inventory

Inventory consists mainly of food and beverage products and is accounted for at the lower of cost or market using the first in, first out method of inventory valuation. Cash flows related to inventory sales are classified in net cash used by operating activities in the Consolidated Statements of Cash Flows.

Prepaid Assets and Other Long-Term Assets

Prepaid assets consist principally of prepaid rent, bonus, insurance, and contracts and are recognized ratably as operating expense over the period of future benefit. Other long-term assets consist primarily of security deposits for operating leases and utilities.

Property and Equipment

Property and equipment are recorded at cost. Buildings, including buildings on leased land, are depreciated using the straight-line method over the shorter term of the lease or its estimated useful life, which ranges from 10-39 years. Equipment, furniture and fixtures are depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements, which include the cost of improvements funded by landlord incentives or allowances, are amortized using the straight-line method over the lesser of the term of the lease, with consideration of renewal options if renewals are reasonably assured because failure to renew would result in an economic penalty, or the estimated useful lives of the assets, which is typically five – 15 years. Maintenance and repairs are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and the related gains or losses are credited or charged to earnings.

The Company capitalizes items associated with construction but not yet placed into service, known as construction in progress ("CIP"). Items capitalized include fees associated with the design, build-out, furnishing of the restaurants, leasehold improvements, construction period interest (when applicable), equipment, and furniture and fixtures. Restaurant CIP is not amortized or depreciated until the related assets are placed into service. Items are placed into service according to their asset category when the restaurant is open for service.

Intangible Assets

Amortizable intangible assets consist of trademarks and are stated at cost, less accumulated amortization. The trademarks are amortized on a straight-line basis over the estimated useful life of 15 years.

Liquor licenses, also a component of intangible assets, are deemed to have an indefinite life and are not amortized. Management reviews liquor license assets annually (at year-end) to determine whether carrying values have been impaired. We identify potential impairments for liquor licenses by comparing the fair value with the carrying amount. If the fair value exceeds the carrying amount, the liquor licenses are not impaired. If the carrying amount exceeds the fair value, an impairment loss is recorded for the difference. No impairments were recognized in the fiscal quarters of December 31, 2023, or December 25, 2022.

Treasury stock

Treasury stock purchases are accounted for using the cost method, whereby the entire cost of the acquired stock is recorded as treasury stock. Gains and losses on the subsequent issuance of shares are credited or charged to paid-in capital more than par value using the average-cost method.

Impairment or Disposal of Long-Lived Assets

We review long-lived assets quarterly to determine if triggering events have occurred, which would require a test to determine if the carrying amount of these assets may not be recoverable based on estimated future cash flows. Assets are reviewed at the lowest level, at which cash flows can be identified, which is at the individual restaurant level. In the absence of extraordinary circumstances, restaurants are included in the impairment analysis after being open for two years. We evaluate the recoverability of a restaurant's long-lived assets, including buildings, intangibles, leasehold

improvements, furniture, fixtures, and equipment over the remaining life of the primary asset in the asset group, after considering the potential impact of planned operational improvements, marketing programs, and anticipated changes in the trade area. In determining future cash flows, management makes significant estimates concerning future operating results for each restaurant over the remaining life of the primary asset in the asset group. If assets are impaired, the impairment charge is measured by calculating the amount by which the asset carrying amount exceeds its fair value based on our estimate of discounted future cash flows. The determination of fair value of an asset is also subject to significant judgment. Refer to Note 2 for additional information.

We account for exit or disposal activities, including restaurant closures, in accordance with ASC Topic 420, *Exit or Disposal Cost Obligations*. Such costs include the cost of disposing of the assets as well as other facility-related expenses from previously closed restaurants. These costs are generally expensed as incurred. Additionally, at the date we cease using a property under an operating lease, we record a liability for the net present value of any remaining lease obligations, net of estimated sublease income. Any subsequent adjustments to that liability because of lease termination or changes in estimates of sublease income are recorded in the period incurred. Refer to Note 2 for additional information.

No impairments were recognized in the fiscal quarters ending December 31, 2023, or December 25, 2022.

Deferred Gains

Deferred gains on the sale-leaseback transaction described in Note 3 are recognized as a reduction of rent expense over the life of the related operating lease agreements.

Revenue Recognition

Revenues from food and beverage sales are recognized and generally collected at the point of sale. All sales taxes are presented on a net basis and are excluded from revenue.

Advertising

Advertising expenses of \$0.023 million and \$0.02 million are included in general and administrative expenses in the Consolidated Statements of Operations for the fiscal quarters ended December 31, 2023, and December 25, 2022, respectively.

Pre-opening Costs

Pre-opening costs are those costs associated with opening new restaurants and will vary based on the number of new locations opening and under construction. The Company also reclassifies labor costs that exceed the historical average for the first three months of restaurant operations that are attributable to training. These costs are expensed as incurred.

Income Taxes

Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense (income) is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company applies the provisions of FASB ASC 740, *Income Taxes* ("ASC 740") regarding the accounting for uncertainty in income taxes. The Company classifies all interest and penalties as income tax expense. As of December 31, 2023, and December 25, 2022, there are no accrued interest amounts or penalties related to uncertain tax positions.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets

and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

We have reviewed significant newly issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our consolidated financial statements because of future adoption.

NOTE 2. IMPAIRMENTS, DISPOSALS AND EXIT COSTS

Based on impairment indicators that existed on December 31, 2023, the Company performed an impairment analysis on its long-lived assets subject to amortization. For the three months ending December 31, 2023, \$0 million of long-lived assets were deemed impaired. Impairment charges are recorded to the extent that the carrying amount of the assets is not considered recoverable based on the estimated future cash flows of the location. The impairment charges are included in impairment and loss on asset disposals on the Consolidated Statements of Operations.

We are currently monitoring the valuation of long-lived assets at several restaurants and have developed plans to improve operating results. As we periodically refine our estimated future operating results, changes in our estimates and assumptions may cause us to realize impairment charges that could be material in the future.

NOTE 3. PROPERTY AND EQUIPMENT, NET

Property and equipment are comprised of the following:

	December 31, 2023	December 25, 2022
Equipment	\$ 2,730,622	\$ 2,693,887
Furniture and fixtures	662,907	662,907
Operating lease right of use asset	1,848,436	2,218,080
Leasehold improvements	5,721,349	5,721,239
Total	10,963,314	11,296,223
Less accumulated depreciation	(8,226,838)	(7,579,307)
Property and equipment, net	\$ 2,736,476	\$ 3,716,916

Depreciation expense was \$0.16 million and \$0.16 million, respectively, during the quarters ending December 31, 2023 and December 25, 2022.

Sale-leaseback transactions

On October 6, 2014, the Company entered into a sale-leaseback agreement for \$8.9 million with a third-party Real Estate Investment Trust ("REIT"). The arrangement included the sale of real estate on which twelve of Bagger Dave's locations operate. In the fourth quarter of 2014, we closed the sale of five of the twelve properties, with total proceeds of \$6.9 million. We closed the sale of the remaining property in June 2015 with total proceeds of \$2.0 million. Under the terms of each sale-leaseback transaction, we transferred title of the real property to the purchaser after final inspection and, in turn, entered separate leases with the purchaser having a 15-year basic operating lease term plus four separate 5-year renewal options. Certain of the sale-leaseback arrangements resulted in a gain which has been deferred. As of December 31, 2023, \$0.02 million of the deferred gain was recorded in Other accrued liabilities and \$0.15 million of the deferred gain was recorded in Long-Term liabilities on the Consolidated Balance Sheets. As of December 25, 2022, \$0.03 million of the deferred gain was recorded in Other accrued liabilities and \$0.19 million of the deferred gain was recorded in Long-Term liabilities on the Consolidated Balance Sheets. The gains will be recognized into income as an offset to rent expense over the life of the related lease agreements.

NOTE 4. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

Amortized intangible assets	December 31, 2023	December 25, 2022
Trademarks	70,576	70,576
Less accumulated amortization	(51,838)	(47,133)
Amortized intangible assets, net	\$ 18,738	\$ 23,443
Unamortized intangible assets		
Liquor licenses	138,350	138,350
Total intangible assets, net	\$ 157,088	\$ 161,793

Amortization expense was \$1,176 and \$1,176, respectively, for the quarters ended December 31, 2023 and December 25, 2022.

Based on the current intangible assets and their estimated useful lives, future intangible-related expenses for the next five years and thereafter is projected as follows:

Year	Amount
2024	4,705
2025	4,705
2026	4,705
2027	4,623
Total	\$ 18,738

The aggregate weighted-average amortization period for intangible assets is 4 years.

NOTE 5. OTHER ACCRUED LIABILITIES

	December 31, 2023	December 25, 2022
Gift card liability	\$ 53,787	\$ 56,599
Sale tax payable	54,608	32,659
Lease liability current	313,762	373,275
Other	29,048	32,641
Total accrued other liabilities	\$ 451,205	\$ 495,174

NOTE 6. RELATED PARTY TRANSACTIONS

There were no related party transactions in the quarters ended December 31, 2023, and December 25, 2022.

NOTE 7. INCOME TAXES

The effective income tax rate for the quarters ended December 31, 2023 and December 25, 2022 was -10.04% and -1.50%, respectively, due to the company recording a total valuation allowance on its deferred tax assets. The valuation allowance was recorded due to our history of losses in recent years.

NOTE 8. OPERATING LEASES

The Company's lease terms generally include renewal options and frequently require us to pay a proportionate share of real estate taxes, insurance, common area maintenance, and other operating costs. Some restaurant leases provide for contingent rental payments based on sales thresholds.

Total rent expenses were \$0.13 million and \$0.13 million for the fiscal quarters ended December 31, 2023, and December 25, 2022, respectively.

Scheduled future minimum lease payments for each of the next five years and thereafter for non-cancelable operating leases for existing restaurants with initial or remaining lease terms more than one year on December 31, 2023, are summarized as follows:

Year	Amount
2024	455,495
2025	455,331
2026	361,929
2027	361,929
2028	361,932
Thereafter	793,367
Total	\$ 2,789,983

The Company adopted ASC 840 related to its lease accounting at the beginning of the fiscal year ending December 31, 2018. Under ASU 2018-11, the company elected to apply the cumulative effect of the change in lease accounting as an adjustment to retained earnings as of December 31, 2018. The cumulative effect adjustment increased retained earnings by \$314,752.

The new lease accounting standard provides for establishing a Right of Use asset and a Lease Liability to reflect the present value of future lease payments. The discount rate used approximates the Company's cost of capital as lessor's cost of capital was not available. The weighted average discount rate applied is 7 percent. Both the Right of Use asset and the Lease liability had an original balance of \$7,705,495. The Right of Use asset is included in the Property and Equipment section of the balance sheet, and the lease liability is included in current and long-term liabilities. Amortization of the Right of Use Asset and the Lease Liability was \$94,868 and \$88,411 for the three months ended December 31, 2023, and December 25, 2022, respectively. The weighted average remaining lease term is approximately 8 years as of December 31, 2023.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Bagger Dave's sponsors a defined contribution 401(k) plan whereby eligible team members can contribute pre-tax wages in accordance with the provisions of the plan. Bagger Dave's has the option to make an annual discretionary contribution to the 401(k) plan. No match was made during the twelve months ended December 31, 2023.

The Company is subject to ordinary and routine legal proceedings, as well as demands, claims and threatened litigation, which arise in the ordinary course of its business. The ultimate outcome of any litigation is uncertain. We have insured and continue to insure against most of these types of claims. A judgment on any claim not covered by or more than our insurance coverage could materially adversely affect our financial condition or results of operations.

NOTE 10. SUPPLEMENTAL CASH FLOWS INFORMATION

Cash paid for interest was \$5,364 and \$6,873 during the three months ended December 31, 2023, and December 25, 2022, respectively.

NOTE 11. ECONOMIC INJURY DISASTER LOAN

In the quarter ended December 26, 2021, the Company secured financing of \$150,000 as an Economic Injury Disaster Loan (EIDL) through the U.S. Small Business Administration (SBA). This loan can be applied to areas covered by the PPP loan (but cannot duplicate PPP expenditures) and may also be used for a greater variety of day-to-day operating expenses. The terms of the EIDL are 30 years with an interest rate of 3.75%. Loan payments are \$731 per month. The loan balance at December 31, 2023, is \$137,651. Interest paid for the three months ended December 31, 2023, is \$5,364.

10) Issuer Certification

Principal Executive Officer:

I, Gary Copperud, certify that:

1. I have reviewed this Disclosure Statement for Bagger Dave's Burger Tavern, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 13, 2024

/s/ Gary Copperud [CEO's Signature]

Amended August 15, 2024

Principal Financial Officer:

I, Kenneth W. Brimmer, certify that:

1. I have reviewed this Disclosure Statement for Bagger Dave's Burger Tavern, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 13, 2024

/s/Kenneth W. Brimmer [CFO's Signature]

Amended August 15, 2024