

**BAGGER DAVE'S BURGER TAVERN, INC.**

**A Nevada Corporation**

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

**QUARTERLY REPORT FOR THE PERIOD ENDING September 29, 2024**

**(612) 229-8811**

**www.baggerdaves.com**

**kbrimmer@itsburgertime.com**

## **Quarterly Report**

**For the 13-WEEK period ending September 29, 2024 (the "Reporting Period")**

**Outstanding Shares CUSIP No: 056646-12**

The number of shares outstanding of our Common Stock was:

27,909,635 as of September 29, 2024

27,909,635 as of December 31, 2023

**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 Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

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<sup>4</sup> "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](mailto:Joslyn@pacificstocktransfer.com)

6725 Via Austi Pkwy, Suite 300

Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act: Yes:  No:

### 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 September 29, 2024

Total Number of Shareholders of record as of September 29, 2024: 235

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

Preferred Stock Class A: 0 shares outstanding as of December 31, 2023 and September 29, 2024

### 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: September 29, 2024
Total shares outstanding:	0	as of date: September 29, 2024
Total number of shareholders of record:	0	as of date: September 29, 2024

*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. NONE**
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 10 VOTES PER SHARE AND PREFERENCE ON LIQUIDATION, NO ADDITIONAL PREFERENCE.**
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>12/30/2021</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>	—	—	—	—	—	—
Shares Outstanding on Date of This Report: <u>Ending Balance</u> : Date <u>9/29/2024</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](http://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: BTND). 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
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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](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://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](http://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](mailto: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: 555 Briarwood Court UNIT 150  
 Ann Arbor, MI 48108  
 Phone: 734-327-0300  
 Email: [josh@oakwoodsolutions.com](mailto: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:<sup>5</sup> **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.**

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<sup>5</sup> 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)**

	<u>September 29, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,022,694	\$ 1,398,616
Accounts receivable	32,860	32,684
Inventory	113,475	124,284
Prepaid assets	40,384	51,258
<b>Total current assets</b>	<b>1,209,413</b>	<b>1,606,842</b>
Property and equipment, net	2,131,265	2,736,476
Intangible assets, net	153,559	157,088
Other Long-Term Assets	414	414
Deferred Tax Asset	285,916	264,681
<b>Total assets</b>	<b>\$ 3,780,567</b>	<b>\$ 4,765,501</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 130,911	\$ 31,583
Accrued compensation	82,874	141,991
Other accrued liabilities	464,897	461,412
Current portion of deferred rent	5,106	5,106
<b>Total current liabilities</b>	<b>683,788</b>	<b>640,092</b>
Deferred rent, less current portion	27,834	39,459
Other liabilities, less current portion	1,561,292	1,850,807
Long Term Debt	135,010	140,020
Deferred Tax Liabilities	0	0
<b>Total liabilities</b>	<b>2,407,924</b>	<b>2,670,378</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity</b>		
Common stock \$.0001 par value; 100,000,000 shares authorized; 27,909,635 outstanding as of September 29, 2024 and December 31, 2023	2,791	2,791
Additional paid-in capital	376,507	2,876,868
Retained earnings	925,420	1,647,900
Treasury stock	68,025	68,025
<b>Total stockholders' equity</b>	<b>1,372,743</b>	<b>2,095,223</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,780,567</b>	<b>\$ 4,765,601</b>

SEE NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**BAGGER DAVE'S BURGER TAVERN, INC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	Three Months Ended		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
<b>Revenue</b>	<b>\$ 1,697,014</b>	<b>\$ 1,885,012</b>	<b>\$ 5,443,746</b>	<b>\$ 5,839,208</b>
<b>Operating expenses</b>				
Restaurant operating costs:				
Food, beverage, and paper costs	491,196	572,210	1,562,958	1,773,460
Compensation costs	735,456	799,755	2,332,937	2,368,180
Occupancy costs	169,532	162,770	503,573	486,353
Other operating costs	449,516	443,641	1,345,774	1,316,616
General and administrative expenses	41,919	38,587	125,626	124,167
Depreciation and amortization	131,822	164,594	395,181	491,910
<b>Total operating expenses</b>	<b>2,019,441</b>	<b>2,181,557</b>	<b>6,266,049</b>	<b>6,560,686</b>
<b>Operating loss</b>	<b>(322,427)</b>	<b>(296,545)</b>	<b>(822,303)</b>	<b>(721,478)</b>
Interest and other income, net	12,186	2,146	33,264	34,318
<b>Loss before income taxes</b>	<b>(310,241)</b>	<b>(294,399)</b>	<b>(789,039)</b>	<b>(687,160)</b>
Provision for income taxes (benefit)	(22,556)	(22,350)	(66,559)	(69,012)
<b>Net loss</b>	<b>\$(287,685)</b>	<b>\$(272,049)</b>	<b>\$(722,480)</b>	<b>\$(618,148)</b>
Basic loss per share	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.02)
Loss per share (fully diluted)	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.02)
<b>Weighted average number of common shares outstanding</b>				
Basic	27,909,635	27,909,635	27,909,635	27,909,635
Diluted	27,909,635	27,909,635	27,909,635	27,909,635

SEE NOTES TO INTERIM 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
<b>Balance - December 31, 2023</b>	<b>27,909,635</b>	<b>\$2,791</b>	<b>\$ 376,507</b>	<b>\$ 68,025</b>	<b>\$1,647,900</b>	<b>\$ 2,095,123</b>
Additional Paid in Capital	0	0	0	0	0	0
Net loss	0	0	0	0	(722,480)	(722,480)
<b>Balance – September 29, 2024</b>	<b>27,909,635</b>	<b>\$ 2,791</b>	<b>\$ 376,507</b>	<b>\$ 68,025</b>	<b>\$ 925,420</b>	<b>\$ 1,372,743</b>

SEE NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

	<b>September 29, 2024 (14 weeks)</b>	<b>September 24, 2023 (53 weeks)</b>
<b>Cash flows provided by (used in) operating activities-</b>		
Net loss	\$ (287,685)	\$ (852,461)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	131,763	656,067
Realized gain on sale-leaseback	(22,029)	(14,686)
Deferred income taxes	(21,235)	(137,762)
<b>Changes in operating assets and liabilities that provided (used) cash-</b>		
Accounts receivable	(176)	146
Inventory	10,809	(992)
Prepaid expenses	10,873	(43,762)
Intangible assets	1,177	252,291
Accounts payable	120,049	(64,135)
Accrued liabilities	(81,349)	99,897
Other long-term liabilities	(48,174)	(89,290)
Deferred rent	(11,625)	(15,500)
<b>Net cash provided by (used in) operating activities</b>	<b>(112,063)</b>	<b>(200,639)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(14,196)	(32,087)
<b>Net cash used in investing activities</b>	<b>(14,196)</b>	<b>(32,087)</b>
<b>Cash flows from financing activities</b>		
Note repayment	(5,010)	(49,436)
<b>Common stock issuance</b>	<b>-</b>	<b>90,000</b>
<b>Net cash (used) provided by financing activities</b>	<b>(5,010)</b>	<b>43,564</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(131,269)</b>	<b>(189,162)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,153,963</b>	<b>1,587,778</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,022,694</b>	<b>\$1,398,616</b>

SEE NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO INTERIM 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 September 29, 2024, 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](http://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 2024 is comprised of 52 weeks. The third quarter of 2024 ended on September 29, 2024, and comprised 13 weeks, and the third quarter of 2023 ended on September 24, 2023, 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 \$32,860 and \$32,115 in the quarters ended September 29, 2024, and September 24, 2023, 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 \$43,650 as of September 29, 2024, and \$51,028 as of September 24, 2023, 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 September 29, 2024, or September 24, 2023.

### ***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 September 29, 2024, or September 24, 2023.

### ***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 \$0.014 million and \$0.017 million are included in general and administrative expenses in the Consolidated Statements of Operations for the fiscal quarters ended September 29, 2024, and September 24, 2023, 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 September 29, 2024, and September 24, 2023, 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 September 29, 2024, the Company performed an impairment analysis on its long-lived assets subject to amortization. For the three months ending September 29, 2024, \$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:

	<b>September 29, 2024</b>	<b>December 31, 2023</b>
Equipment	\$ 2,744,819	\$ 2,730,622
Furniture and fixtures	662,907	662,907
Operating lease right of use asset	1,620,680	1,848,436
Leasehold improvements	5,721,349	5,721,349
Total	10,749,755	10,963,314
Less accumulated depreciation	(8,618,490)	(8,226,838)
<b>Property and equipment, net</b>	<b>\$ 2,131,265</b>	<b>\$ 2,736,476</b>

Depreciation expense was \$0.13 million and \$0.16 million, respectively, during the quarters ending September 29, 2024 and September 24, 2023.

**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 September 29, 2024, \$0.03 million of the deferred gain was recorded in Other accrued liabilities and \$0.013 million of the deferred gain was recorded in Long-Term liabilities on the Consolidated Balance Sheets. As of September 24, 2023, \$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:

<b>Amortized intangible assets</b>	<b>September 29, 2024</b>	<b>December 31, 2023</b>
Trademarks	70,576	70,576
Less accumulated amortization	(55,367)	(51,738)
<b>Amortized intangible assets, net</b>	<b>\$ 15,209</b>	<b>\$ 18,738</b>
<b>Unamortized intangible assets</b>		
Liquor licenses	138,350	138,350
<b>Total intangible assets, net</b>	<b>\$ 153,559</b>	<b>\$ 157,088</b>

Amortization expense was \$1,176 and \$1,176, respectively, for the quarters ended September 29, 2024 and September 24, 2023.

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:

<b>Year</b>	<b>Amount</b>
2024	1,176
2025	4,705
2026	4,705
2027	4,623
<b>Total</b>	<b>\$ 15,209</b>

The aggregate weighted-average amortization period for intangible assets is 3.25. years.

**NOTE 5. OTHER ACCRUED LIABILITIES**

	<b>September 29, 2024</b>	<b>December 31, 2023</b>
Gift card liability	\$ 43,650	\$ 53,787
Sale tax payable	35,535	54,608
Lease liability current	346,247	313,762
Other	39,465	39,255
<b>Total accrued other liabilities</b>	<b>\$ 464,897</b>	<b>\$ 461,412</b>

**NOTE 6. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the quarters ended September 29, 2024, and September 24, 2023.

**NOTE 7. INCOME TAXES**

The effective income tax rate for the quarters ended September 29, 2024 and September 24, 2023 was -7.27% and -9.72%, 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 September 29, 2024, and September 24, 2023, 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 September 29, 2024, are summarized as follows:

Year	Amount
2024	\$ 115,836
2025	455,331
2026	361,929
2027	361,929
2028	361,932
Thereafter	793,367
<b>Total</b>	<b>\$ 2,450,324</b>

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 \$77,260 and \$93,211 for the three months ended September 29, 2024, and September 24, 2023, respectively. The weighted average remaining lease term is approximately 7.25 years as of September 29, 2024.

#### 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 September 29, 2024.

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 \$1,304 and \$1,337 during the three months ended September 29, 2024, and September 24, 2023, 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 September 29, 2024, is \$138,548. Interest paid for the three months ended September 29, 2024, is \$1,304.

## 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.

November 6, 2024

**/s/ Gary Copperud** [CEO's Signature]

### ***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.

November 6, 2024

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