

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 6, 2018**

Rave Restaurant Group, Inc.
(Exact name of registrant as specified in its charter)

Missouri 0-12919 45-3189287
(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

3551 Plano Parkway, The Colony, Texas 75056
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(469) 384-5000**

Rave Restaurant Group, Inc.
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

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

Item Results of Operations and Financial Condition
2.02

On November 6, 2018 Rave Restaurant Group, Inc. issued a press release discussing financial results of its first fiscal quarter ended September 23, 2018, a copy of which is attached as Exhibit 99.1 hereto.

Item Financial Statements and Exhibits
9.01

(d) Exhibits.

-99.1 Rave Restaurant Group, Inc. press release dated November 6, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Rave Restaurant Group, Inc.

Date: November 6, 2018

By: /s/ SCOTT CRANE
Scott Crane
Chief Executive Officer
(Principal Executive Officer)

RAVE RESTAURANT GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	September 23, 2018	September 24, 2017
REVENUES:	\$ 2,991	\$ 5,433
COSTS AND EXPENSES:		
Cost of sales	159	2,086
General and administrative expenses	1,414	2,055
Franchise expenses	1,061	640
Pre-opening expenses	—	115
Loss/(Gain) on sale of assets	(4)	2
Impairment of long-lived assets and other lease charges	15	148
Bad debt	24	124
Interest expense	25	68
Depreciation and amortization expense	139	314
Total costs and expenses	<u>2,833</u>	<u>5,552</u>
INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES	158	(119)
Income tax expense	50	12
INCOME/(LOSS) FROM CONTINUING OPERATIONS	<u>108</u>	<u>(131)</u>
Loss from discontinued operations, net of taxes	—	(225)
NET INCOME / (LOSS)	<u>\$ 108</u>	<u>\$ (356)</u>
INCOME / (LOSS) PER SHARE OF COMMON STOCK - BASIC:		
Income / (loss) from continuing operations	\$ 0.01	\$ (0.01)
Loss from discontinued operations	—	(0.02)
Net income / (loss)	<u>\$ 0.01</u>	<u>\$ (0.03)</u>
INCOME / (LOSS) PER SHARE OF COMMON STOCK - DILUTED:		
Income / (loss) from continuing operations	\$ 0.01	\$ (0.01)
Loss from discontinued operations	—	(0.02)
Net income / (loss)	<u>\$ 0.01</u>	<u>\$ (0.03)</u>
Weighted average common shares outstanding - basic	<u>15,064</u>	<u>11,159</u>
Weighted average common and potential dilutive common shares outstanding	<u>15,897</u>	<u>11,159</u>

RAVE RESTAURANT GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	September 23, 2018 (Unaudited)	June 24, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,006	\$ 1,386
Accounts receivable, less allowance for bad debts of \$179 and \$158, respectively	1,357	1,518
Other receivable	—	300
Notes receivable	939	712
Inventories	6	6
Income tax receivable	4	5
Property held for sale	467	539
Deferred contract charges	15	—
Prepaid expenses and other	351	273
Total current assets	<u>5,145</u>	<u>4,739</u>
LONG-TERM ASSETS		
Property, plant and equipment, net	1,391	1,510
Intangible assets definite-lived, net	202	212
Long-term notes receivable	791	803
Deferred tax asset, net	3,462	3,479
Long-term deferred contract charges	221	—
Deposits and other	243	243
Total assets	<u>\$ 11,455</u>	<u>\$ 10,986</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 797	\$ 774
Accrued expenses	836	1,109
Deferred rent	34	32
Deferred revenues	428	65
Total current liabilities	<u>2,095</u>	<u>1,980</u>
LONG-TERM LIABILITIES		
Convertible notes	1,567	1,562
Deferred rent, net of current portion	424	433
Deferred revenues, net of current portion	2,399	670
Other long-term liabilities	48	42
Total liabilities	<u>6,533</u>	<u>4,687</u>
SHAREHOLDERS' EQUITY		
Common stock, \$.01 par value; authorized 26,000,000 shares; issued 22,190,515 and 22,166,674 shares, respectively; outstanding 15,071,311 and 15,047,470 shares, respectively	222	222
Additional paid-in capital	33,343	33,206
Accumulated deficit	(4,007)	(2,493)
Treasury stock at cost		
Shares in treasury: 7,119,204	(24,636)	(24,636)
Total shareholders' equity	<u>4,922</u>	<u>6,299</u>
Total liabilities and shareholders' equity	<u>\$ 11,455</u>	<u>\$ 10,986</u>

RAVE RESTAURANT GROUP, INC.
ADJUSTED EBITDA
(In thousands)

	Three Months Ended	
	September 23, 2018	September 24, 2017
Net income (loss)	\$ 108	\$ (356)
Interest expense	25	68
Income taxes	50	12
Depreciation and amortization	139	314
EBITDA	<u>\$ 322</u>	<u>\$ 38</u>
Stock compensation expense	101	10
Pre-opening costs	—	115
(Gain)/Loss on sale/disposal of assets	(4)	2
Impairment of long-lived assets and other lease charges	15	148
Discontinued operations, excluding taxes	—	227
Closed and non-operating store costs	22	136
Adjusted EBITDA	<u>\$ 456</u>	<u>\$ 676</u>

RAVE RESTAURANT GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended	
	September 23, 2018	September 24, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	\$ 108	\$ (356)
Adjustments to reconcile net income/(loss) to cash provided by (used in) operating activities:		
Impairment of fixed assets and other assets	—	148
Stock compensation expense	101	10
Depreciation and amortization	129	304
Amortization of intangible assets definite-lived	10	10
Amortization of debt issue costs	5	11
Gain/loss on the sale of assets	(4)	2
Provision for bad debt	24	124
Changes in operating assets and liabilities:		
Accounts receivable	296	529
Inventories	—	(12)
Prepaid expenses, deposits and other, net	(79)	(194)
Deferred revenue	234	(534)
Accounts payable - trade	23	(907)
Deferred tax assets	17	—
Accrued expenses, deferred rent and other	(274)	(183)
Cash provided by (used in) operating activities	590	(1,048)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of assets	4	—
Purchase of intangible assets definite-lived	—	(7)
Capital expenditures	(10)	(363)
Cash used in investing activities	(6)	(370)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of stock	36	4,943
Cash provided by financing activities	36	4,943
Net increase in cash and cash equivalents	620	3,525
Cash and cash equivalents, beginning of period	1,386	451
Cash and cash equivalents, end of period	<u>\$ 2,006</u>	<u>\$ 3,976</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	\$ 2	\$ —
Income taxes	<u>\$ 4</u>	<u>\$ —</u>
Non-cash activities:		
Capital expenditures included in accounts payable	<u>\$ —</u>	<u>\$ 164</u>
Conversion of notes to equity	<u>\$ —</u>	<u>\$ —</u>