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

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended December 28, 2025 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____.

Commission File Number: 0-12919

RAVE RESTAURANT GROUP, INC.

(Exact name of registrant as specified in its charter)

Missouri

45-3189287

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	RAVE	Nasdaq Capital Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

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

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

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

As of January 29, 2026, 14,211,566 shares of the issuer's common stock were outstanding.

RAVE RESTAURANT GROUP, INC.
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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

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

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
REVENUES	\$ 3,042	\$ 2,869	\$ 6,255	\$ 5,919
COSTS AND EXPENSES				
General and administrative expenses	1,519	1,314	2,897	2,734
Franchise expenses	732	829	1,769	1,824
Provision (recovery) for credit losses	7	9	11	(8)
Depreciation and amortization expense	42	53	84	96
Total costs and expenses	<u>2,300</u>	<u>2,205</u>	<u>4,761</u>	<u>4,646</u>
OPERATING INCOME	742	664	1,494	1,273
Interest income	91	87	182	169
Other income	9	0	17	4
INCOME BEFORE TAXES	842	751	1,693	1,446
Income tax expense	205	144	411	313
NET INCOME	<u>\$ 637</u>	<u>\$ 607</u>	<u>\$ 1,282</u>	<u>\$ 1,133</u>
INCOME PER SHARE OF COMMON STOCK				
Basic	\$ 0.04	\$ 0.04	\$ 0.09	\$ 0.08
Diluted	\$ 0.04	\$ 0.04	\$ 0.09	\$ 0.08
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	14,212	14,690	14,212	14,638
Diluted	14,276	14,716	14,277	14,660

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

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

	December 28, 2025	June 29, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 624	\$ 2,859
Short-term investments	10,279	7,024
Accounts receivable, less allowance for credit losses of \$41 and \$31, respectively	1,326	1,171
Notes receivable, current	28	45
Assets held for sale	37	38
Deferred contract charges, current	24	21
Prepaid expenses and other current assets	689	335
Total current assets	<u>13,007</u>	<u>11,493</u>
LONG-TERM ASSETS		
Property and equipment, net	111	137
Operating lease right-of-use assets, net	335	489
Intangible assets definite-lived, net	141	182
Notes receivable, net of current portion	74	75
Deferred tax asset, net	3,647	3,995
Deferred contract charges, net of current portion	232	186
Total assets	<u>\$ 17,547</u>	<u>\$ 16,557</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 479	\$ 207
Accrued expenses	576	855
Operating lease liabilities, current	378	370
Deferred revenues, current	97	308
Total current liabilities	<u>1,530</u>	<u>1,740</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	15	206
Deferred revenues, net of current portion	466	457
Total liabilities	<u>2,011</u>	<u>2,403</u>
COMMITMENTS AND CONTINGENCIES (SEE NOTE C)		
SHAREHOLDERS' EQUITY		
Common stock, \$0.01 par value; authorized 26,000,000 shares; issued 25,647,171 and 25,647,171 shares, respectively; outstanding 14,211,566 and 14,211,566 shares, respectively	256	256
Additional paid-in capital	37,616	37,516
Retained earnings	8,896	7,614
Treasury stock, at cost		
Shares in treasury: 11,435,605 and 11,435,605 respectively	(31,232)	(31,232)
Total shareholders' equity	<u>15,536</u>	<u>14,154</u>
Total liabilities and shareholders' equity	<u>\$ 17,547</u>	<u>\$ 16,557</u>

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

RAVE RESTAURANT GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Total
	Shares	Amount			Shares	Amount	
Balance, June 30, 2024	25,522	\$ 255	\$ 37,563	\$ 4,912	(10,936)	\$ (30,028)	\$ 12,702
Stock-based compensation expense	-	-	73	-	-	-	73
Net income	-	-	-	526	-	-	526
Balance, September 29, 2024	25,522	\$ 255	\$ 37,636	\$ 5,438	(10,936)	\$ (30,028)	\$ 13,301
Stock-based compensation expense	-	-	53	-	-	-	53
RSU vested and taxes paid on RSUs	125	1	(183)	-	-	-	(182)
Net income	-	-	-	607	-	-	607
Balance, December 29, 2024	25,647	\$ 256	\$ 37,506	\$ 6,045	(10,936)	\$ (30,028)	\$ 13,779
	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Total
	Shares	Amount			Shares	Amount	
Balance, June 29, 2025	25,647	\$ 256	\$ 37,516	\$ 7,614	(11,436)	\$ (31,232)	\$ 14,154
Stock-based compensation expense	-	-	38	-	-	-	38
Net income	-	-	-	645	-	-	645
Balance, September 28, 2025	25,647	\$ 256	\$ 37,554	\$ 8,259	(11,436)	\$ (31,232)	\$ 14,837
Stock-based compensation expense	-	-	62	-	-	-	62
Net income	-	-	-	637	-	-	637
Balance, December 28, 2025	25,647	\$ 256	\$ 37,616	\$ 8,896	(11,436)	\$ (31,232)	\$ 15,536

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

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

	Six Months Ended	
	December 28, 2025	December 29, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,282	\$ 1,133
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization of discount on short-term investment	(122)	(63)
Impairment of long-lived assets and other lease charges	-	9
Stock-based compensation expense	100	126
Depreciation and amortization	43	46
Amortization of operating lease right-of-use assets	154	169
Amortization of definite-lived intangible assets	41	41
Non-cash lease expense	8	43
Provision (recovery) for credit losses	11	(8)
Deferred income tax	348	264
Changes in operating assets and liabilities:		
Accounts receivable	(166)	304
Notes receivable	18	26
Deferred contract charges	(49)	15
Prepaid expenses and other current assets	(354)	(40)
Accounts payable - trade	272	96
Accrued expenses	(279)	(417)
Operating lease liabilities	(191)	(236)
Deferred revenues	(202)	(267)
Cash provided by operating activities	914	1,241
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of short-term investments	(8,423)	(8,102)
Maturities of short-term investments	5,290	7,065
Purchase of assets held for sale	(4)	-
Proceeds from sale of assets held for sale	5	7
Purchase of property and equipment	(17)	(44)
Cash used in investing activities	(3,149)	(1,074)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Taxes paid on issuance of restricted stock units	-	(182)
Cash used in financing activities	-	(182)
Net decrease in cash and cash equivalents	(2,235)	(15)
Cash and cash equivalents, beginning of period	2,859	2,886
Cash and cash equivalents, end of period	\$ 624	\$ 2,871

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

CASH PAID FOR:

Income taxes	\$ 97	\$ 50
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See accompanying Notes to Unaudited Condensed Financial Statements.

RAVE RESTAURANT GROUP, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Rave Restaurant Group, Inc., through its subsidiaries (collectively, the “Company” or “we,” “us” or “our”), franchises pizza buffet (“Buffet Units”), delivery/carry-out (“Delco Units”) and express restaurants (“Express Units”) under the trademark “Pizza Inn” and franchises fast casual pizza restaurants (“Pie Five Units”) under the trademarks “Pie Five Pizza Company” or “Pie Five”. The Company previously franchised ghost kitchens under the trademarks “Pizza Inn” and “Pie Five” (“Pizza Inn Ghost Kitchen Units” and “Pie Five Ghost Kitchen Units”) but the remaining two ghost kitchen locations were closed in agreements made with the franchisees during the three month period ended December 28, 2025. The Company may franchise ghost kitchens in the future. The Company also licenses Pizza Inn Express, or PIE, kiosks (“PIE Units”) under the trademark “Pizza Inn”. We facilitate food, equipment, and supply distribution to our domestic and international system of restaurants through agreements with third-party distributors. The accompanying condensed consolidated financial statements of Rave Restaurant Group, Inc. have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in the financial statements have been omitted pursuant to such rules and regulations. The unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 29, 2025.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to fairly present the Company’s financial position and results of operations for the interim periods reflected. Except as noted, all adjustments are of a normal recurring nature. Results of operations for the fiscal periods presented are not necessarily indicative of fiscal year-end results.

Note A - Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Rave Restaurant Group, Inc. and its subsidiaries, all of which are wholly owned. All appropriate inter-company balances and transactions have been eliminated.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Short-Term Investments

The Company holds short-term investments in U.S. Treasury bills, classified as trading securities. Accordingly, interest income is recorded through the Condensed Consolidated Statements of Income, when earned. Management has elected to classify all U.S. Treasury bills as short-term, regardless of their maturity dates, as these are readily available to fund current operations and can be liquidated at any time at the discretion of the Company. As of December 28, 2025 and June 29, 2025, the Company held U.S. Treasury bills valued at approximately \$10.3 million and \$7.0 million, respectively, which are included within short-term investments on the accompanying Condensed Consolidated Balance Sheets. For the three months ended December 28, 2025 and December 29, 2024, interest income recognized on U.S. Treasury bills was \$86 thousand and \$87 thousand, respectively. For the six months ended December 28, 2025 and December 29, 2024, interest income recognized on the U.S. Treasury bills was \$171 thousand and \$169 thousand, respectively.

Fair Value Measurements

Assets and liabilities carried at fair value are categorized based on the level of judgment associated with the inputs used to measure their fair value. Authoritative guidance for fair value measurements establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into the following three levels:

Level 1: Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument’s anticipated life.

Level 3: Inputs are unobservable and therefore reflect management’s best estimate of the assumptions that market participants would use in pricing the asset or liability.

The fair value of the Company’s investments in U.S. Treasury bills at December 28, 2025 and June 29, 2025, was determined using Level 1 observable inputs.

The following table summarizes the Company's financial assets and financial liabilities measured at fair value (in thousands):

Fair Value Measurements	December 28, 2025				June 29, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
U.S. Treasury bills	10,279	-	-	10,279	7,024	-	-	7,024
	10,279	-	-	10,279	7,024	-	-	7,024

The Company has no financial assets or liabilities classified within Level 3 of the valuation hierarchy.

These items are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist primarily of receivables generated from franchise royalties and supplier concessions. The Company records an allowance for credit losses to allow for any amounts that may be unrecoverable based upon an analysis of the Company's prior collection experience, customer creditworthiness and current economic trends. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Finance charges may be accrued at a rate of 18% per year, or up to the maximum amount allowed by law, on past due receivables. The interest income recorded from finance charges is immaterial.

The Company monitors franchisee receivable balances and adjusts credit terms when necessary to minimize the Company's exposure to high-risk accounts receivable. For the three month period ended December 28, 2025, provision for credit losses were \$7 thousand compared to \$9 thousand for the same period in the prior fiscal year. For the six month period ended December 28, 2025, provision for credit losses were \$11 thousand compared to recoveries for credit losses of \$8 thousand for the same period in the prior fiscal year.

Changes in the allowance for credit losses from continuing operations consisted of the following (in thousands):

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Balance at beginning of year	\$ 35	\$ 40	\$ 31	\$ 57
Provision (recovery) for credit losses	7	9	11	(8)
Amounts written off	(1)	(7)	(1)	(7)
Ending balance	\$ 41	\$ 42	\$ 41	\$ 42

Fiscal Quarters

The three and six month periods ended December 28, 2025 and December 29, 2024 each contained 13 weeks and 26 weeks, respectively.

Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect its reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent liabilities. The Company bases its estimates on historical experience and other various assumptions that it believes are reasonable under the circumstances. Estimates and assumptions are reviewed periodically. Actual results could differ materially from estimates.

Recently Adopted Accounting Guidance

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU" or "standard") 2023-09, Income Taxes: Improvements to Income Tax Disclosures (Topic 740), which requires companies to provide a more granular breakdown of the components that make up their effective tax rate and additional disclosures about the nature and effect of significant reconciling items. The new guidance is effective for the Company's fiscal year beginning after December 15, 2024. The Company adopted this standard on June 30, 2025, and the adoption of this standard did not have a material impact on the Company's consolidated financial statements and related disclosures.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires, for each relevant expense caption on the income statement, detailed disclosure amounts for purchases of inventory, employee compensation, depreciation, and intangible asset amortization. In addition, this ASU requires companies to include amounts already required by GAAP in the same disclosure, provide a qualitative description of remaining amounts not separately disaggregated, and disclose the amount of total selling expenses along with the companies' definition of selling expenses. The amendment is effective for fiscal years beginning after December 15, 2026, which would require us to adopt the provisions in our fiscal 2028 Form 10-K. Early adoption is permitted. The amendments should be applied prospectively; however, retrospective application is permitted. Management is currently evaluating this ASU to determine its impact on our disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): *Narrow- Scope Improvements*, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-11.

In December 2025, the FASB issued its final ASU which makes improvements to the Accounting Standards Codification (“ASC”) in response to feedback from stakeholders. This standard, issued as ASU 2025-12, specifically updates the Codification for a broad range of Topics arising from technical corrections, unintended application of the Codification, clarifications, and other minor improvements. This update is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual reporting periods. The Company is currently evaluating the impact of adopting ASU 2025-12.

Revenue Recognition

Revenue is measured based on consideration specified in contracts with customers and excludes incentives and amounts collected on behalf of third parties, primarily sales tax. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction that are collected by the Company from a customer are excluded from revenue.

The following describes principal activities, separated by major product or service, from which the Company generates its revenues:

Franchise Revenues

Franchise revenues consist of 1) franchise royalties, 2) supplier and distributor incentive revenues, 3) franchise license fees, 4) area development exclusivity fees and foreign master license fees, 5) advertising fund contributions, and 6) supplier convention funds.

Franchise royalties, which are based on a percentage of net retail sales, are recognized as sales occur.

Supplier and distributor incentive revenues are recognized when title to the underlying commodities transfer.

Franchise license fees are typically billed upon execution of the franchise agreement and amortized over the term of the franchise agreement, which typically range from five to 20 years. Fees received for renewal periods are amortized over the life of the renewal period. In the event of a closed franchise or terminated development agreement, the remaining balance of unamortized license fees will be recognized in entirety as of the date of the closure or termination.

Area development exclusivity fees and foreign master license fees are typically billed upon execution of the area development and foreign master license agreements. Area development exclusivity fees are included in deferred revenue in the accompanying Condensed Consolidated Balance Sheets and allocated on a pro rata basis to all stores opened under that specific development agreement as the stores are opened. Area development exclusivity fees that include rights to sub-franchise are amortized as revenue over the term of the contract.

Advertising fund contributions for Pizza Inn and Pie Five units represent contributions collected where we have control over the activities of the fund. Contributions are based on a percentage of net retail sales. We have determined that we are the principal in these arrangements, and advertising fund contributions and expenditures are, therefore, reported on a gross basis in the Condensed Consolidated Statements of Income. In general, we expect such advertising fund contributions and expenditures to be largely offsetting and, therefore, do not expect a significant impact on our reported income before income taxes. Our obligation related to these funds is to develop and conduct advertising activities. Pizza Inn and Pie Five marketing fund contributions are billed and collected weekly or monthly.

Supplier convention funds are deferred until the obligations of the agreement are met and the event takes place.

Rental Income

The Company had subleased some of its restaurant space to a third-party. The Company’s last remaining sublease term ended in January 2025 and the Company has no plans to enter into future sublease arrangements.

Total revenues consist of the following (in thousands):

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Franchise royalties	\$ 1,141	\$ 1,144	\$ 2,311	\$ 2,265
Supplier and distributor incentive revenues	1,361	1,156	2,636	2,348
Franchise license fees	20	36	43	64
Area development exclusivity fees and foreign master license fees	3	3	6	6
Advertising fund contributions	517	502	1,050	966
Supplier convention funds	-	-	209	217
Rental income	-	23	-	46
Other franchise revenue	-	5	-	7
	\$ 3,042	\$ 2,869	\$ 6,255	\$ 5,919

The following table reflects the changes in deferred franchise and development fees for the six months ended on December 28, 2025 and December 29, 2024 (in thousands):

	December 28, 2025	December 29, 2024
Beginning balance	\$ 460	\$ 549
Additions	60	33
Amount recognized to franchise revenues	(49)	(70)
Ending balance	\$ 471	\$ 512

The following table illustrates franchise and development fees expected to be recognized in the future related to performance obligations that were unsatisfied or partially satisfied as of December 28, 2025 (in thousands):

Fiscal Year	Franchise and Development Fees Revenue Recognition
2026	\$ 30
2027	62
2028	55
2029	53
2030	42
Thereafter	229
	\$ 471

Stock-Based Compensation

The Company accounts for stock options using the fair value recognition provisions of the authoritative guidance on stock-based payments. The Company uses the Black-Scholes formula to estimate the value of stock-based compensation for options granted to employees and directors and expects to continue to use this acceptable option valuation model in the future. The authoritative guidance also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow.

Restricted stock units ("RSUs") represent the right to receive shares of common stock upon the satisfaction of vesting requirements, performance criteria and other terms and conditions. Compensation cost for RSUs is measured as an amount equal to the fair value of the RSUs on the date of grant and is expensed over the vesting period if achievement of the performance criteria is deemed probable, with the amount of the expense recognized based on the best estimate of the ultimate achievement level.

Note B - Leases

The Company determines if an arrangement is a lease at inception of the arrangement. To the extent that it can be determined that an arrangement represents a lease, it is classified as either an operating lease or a finance lease. The Company does not currently have any finance leases. The Company capitalizes operating leases on the Condensed Consolidated Balance Sheets through a right-of-use asset and a corresponding lease liability. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Short-term leases that have an initial term of one year or less are not capitalized. The Company does not presently have any short-term leases.

Operating lease right-of-use assets and liabilities are recognized at the commencement date of an arrangement based on the present value of lease payments over the lease term. In addition to the present value of lease payments, the operating lease right-of-use asset also includes any lease payments made to the lessor prior to lease commencement less any lease incentives and initial direct costs incurred. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Nature of Leases

The Company leases certain office space, restaurant space, and information technology equipment under non-cancelable leases to support its operations. A more detailed description of significant lease types is included below.

Office Space Agreements

The Company rents office space from third parties for its corporate location. Office space agreements are typically structured with non-cancelable terms of one to 10 years. The Company has concluded that its office space agreements represent operating leases with a lease term that equals the primary non-cancelable contract term. Upon completion of the primary term, both parties have substantive rights to terminate the lease. As a result, enforceable rights and obligations do not exist under the rental agreement subsequent to the primary term.

Restaurant Space Agreements

The Company subleased one of its restaurant spaces to a third-party through January 2025. The Company has no plans to enter into future sublease arrangements.

Information Technology Equipment Agreements

The Company rents information technology equipment, primarily printers and copiers, from a third-party for its corporate office location. Information technology equipment agreements are typically structured with non-cancelable terms of one to five years. The Company has concluded that its information technology equipment agreements are operating leases.

Discount Rate

Leases typically do not provide an implicit interest rate. Accordingly, the Company is required to use its incremental borrowing rate in determining the present value of lease payments based on the information available at the lease commencement date. The Company's incremental borrowing rate reflects the estimated rate of interest that it would pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment. The Company uses the implicit rate in the limited circumstances in which that rate is readily determinable.

Lease Guarantees

The Company has guaranteed the financial responsibilities of one franchised store lease. The guaranteed lease is not considered an operating lease because the Company does not have the right to control the underlying asset. If the franchisee abandons the lease and fails to meet the lease's financial obligations, the lessor may assign the lease to the Company for the remainder of the term. If the Company does not expect to assign the abandoned lease to a new franchisee within 12 months, the lease will be considered an operating lease and a right-of-use asset, and lease liability will be recognized.

Practical Expedients and Accounting Policy Elections

Certain lease agreements include lease and non-lease components. For all existing asset classes with multiple component types, the Company has utilized the practical expedient that exempts it from separating lease components from non-lease components. Accordingly, the Company accounts for the lease and non-lease components in an arrangement as a single lease component.

In addition, for all existing asset classes, the Company has made an accounting policy election not to apply the lease recognition requirements to short-term leases (that is, a lease that, at commencement, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the Company is reasonably certain to exercise). Accordingly, we recognize lease payments related to our short-term leases in our income statements on a straight-line basis over the lease term which has not changed from our prior recognition. To the extent that there are variable lease payments, we recognize those payments in our income statements in the period in which the obligation for those payments is incurred.

The components of total lease expense for the three and six months ended December 28, 2025 and December 29, 2024, where operating lease cost is included in general and administrative expense and sublease income is included in revenues in the accompanying Condensed Consolidated Statements of Income, are as follows (in thousands):

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Operating lease cost	\$ 81	\$ 103	\$ 162	\$ 207
Sublease income	-	(23)	-	(46)
Total lease expense, net of sublease income	<u>\$ 81</u>	<u>\$ 80</u>	<u>\$ 162</u>	<u>\$ 161</u>

Weighted average remaining lease term and weighted average discount rate for operating leases are as follows:

	December 28, 2025	December 29, 2024
Weighted average remaining lease term	1.2 Years	2.1 Years
Weighted average discount rate	4.2%	4.1%

Remaining operating lease liabilities with enforceable contract terms that are greater than one year mature as follows (in thousands):

	Operating Leases
Fiscal Year 2026	194
Fiscal Year 2027	197
Fiscal Year 2028	6
Fiscal Year 2029	6
Thereafter	1
Total operating lease payments	\$ 404
Less: imputed interest	(11)
Total operating lease liability	<u>\$ 393</u>

Note C - Commitments and Contingencies

The Company is subject to various claims and contingencies related to employment agreements, franchise disputes, lawsuits, taxes, food product purchase contracts and other matters arising out of the normal course of business. Management believes that any such claims and actions currently pending are either covered by insurance or would not have a material adverse effect on the Company's results of operations or financial condition if decided in a manner that is unfavorable to the Company. No accrual has been recorded for any claims or actions at December 28, 2025 or June 29, 2025.

Note D - Stock-Based Compensation

Stock Options:

For the three and six months ended December 28, 2025 and December 29, 2024, the Company recognized stock-based compensation expense related to stock options of zero. As of December 28, 2025, there was no unamortized stock-based compensation expense related to stock options.

The following table summarizes the number of shares of the Company's common stock subject to outstanding stock options:

	Six Months Ended	
	December 28, 2025	December 29, 2024
Outstanding at beginning of year	Shares 114,286	Shares 114,286
Granted	-	-
Exercised	-	-
Forfeited/Canceled/Expired	(24,286)	-
Outstanding at end of period	<u>90,000</u>	<u>114,286</u>
Exercisable at end of period	<u>90,000</u>	<u>114,286</u>

Restricted Stock Units:

For the three and six months ended December 28, 2025, the Company had stock-based compensation expense related to RSUs of \$62 thousand and \$100 thousand, respectively. For the three and six months ended December 29, 2024, the Company had stock-based compensation expense related to RSUs of \$53 thousand and \$126 thousand, respectively. As of December 28, 2025, there was \$591 thousand unamortized stock-based compensation expense related to RSUs.

As of December 28, 2025 the RSUs will be amortized during the next 34 months. A summary of the status of restricted stock units as of December 28, 2025 and December 29, 2024, and changes during the six months then ended is presented below:

	Six Months Ended	
	December 28, 2025	December 29, 2024
Unvested at beginning of year	181,703	269,063
Performance adjustment	-	34,351
Granted	135,072	142,328
Issued	-	(198,414)
Forfeited	-	-
Unvested at end of period	316,775	247,328

Note E - Earnings per Share (EPS)

The following table shows the reconciliation of the numerator and denominator of the basic EPS calculation to the numerator and denominator of the diluted EPS calculation (in thousands, except per share amounts):

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Net income available to common shareholders	\$ 637	\$ 607	\$ 1,282	\$ 1,133
BASIC:				
Weighted average common shares	14,212	14,690	14,212	14,638
Net income per common share	\$ 0.04	\$ 0.04	\$ 0.09	\$ 0.08
DILUTED:				
Weighted average common shares	14,212	14,690	14,212	14,638
Dilutive stock options and restricted stock units	64	26	65	22
Weighted average common shares outstanding	14,276	14,716	14,277	14,660
Net income per common share	\$ 0.04	\$ 0.04	\$ 0.09	\$ 0.08

For the three and six months ended December 28, 2025, exercisable options to purchase 50,000 shares of common stock at exercise price \$3.95 were excluded from the computation of diluted EPS because they had an intrinsic value of zero. For the three and six months ended December 28, 2025, 277,400 and 277,400 RSUs were excluded from the computation of diluted EPS because performance criteria is not probable at period end, respectively.

For the three and six months ended December 29, 2024, exercisable options to purchase 74,286 shares of common stock at exercise prices from \$3.95 to \$13.11 were excluded from the computation of diluted EPS because they had an intrinsic value of zero. For the three and six months ended December 29, 2024, 142,328 and 247,328 RSUs were excluded from the computation of diluted EPS because performance criteria is not probable at period end, respectively.

Note F - Income Taxes

Total income tax expense consists of the following (in thousands):

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Federal tax expense	\$ 178	\$ 121	\$ 347	\$ 264
State tax expense	27	23	64	49
Total income tax expense	\$ 205	\$ 144	\$ 411	\$ 313

The Company continually reviews the realizability of its deferred tax assets, including an analysis of factors such as future taxable income, reversal of existing taxable temporary differences, and tax planning strategies. In assessing the need for a valuation allowance, the Company considers both positive and negative evidence related to the likelihood of realization of deferred tax assets.

Note G - Segment Reporting

The Company has three reportable operating segments as determined by management using the “management approach” as defined by ASC 280 *Disclosures about Segments of an Enterprise and Related Information*: (1) Pizza Inn Franchising, (2) Pie Five Franchising and (3) Corporate administration and other. These segments are a result of differences in the nature of the products and services sold. Corporate administration costs, which include, but are not limited to, general accounting, human resources, legal and credit and collections, are partially allocated to the three operating segments. The Company's chief operating decision maker (“CODM”) is the chief executive officer, who assesses segment performance primarily based on operating revenues and income before taxes to inform decisions regarding resource allocation. In addition, the CODM uses segment income to evaluate investment opportunities and strategic priorities across the Company's brands.

The Pizza Inn and Pie Five Franchising segments establish franchisees, licensees and territorial rights. Revenues for these segments are derived from franchise royalties, franchise fees, sale of area development and foreign master license rights and incentive payments from third-party suppliers and distributors. Assets for these segments include equipment, furniture and fixtures.

Corporate administration and other assets primarily include cash and short-term investments, as well as furniture and fixtures located at the corporate office and trademarks and other intangible assets. All assets are located within the United States.

Summarized in the following tables are revenues, expenses, operating income, and income before taxes for the Company's reportable segments as of the three and six months ended December 28, 2025 and December 29, 2024 (in thousands):

	Pizza Inn Franchising		Pie Five Franchising		Corporate		Total	
	Three Months Ended December 28, 2025	December 29, 2024						
REVENUES:								
Franchise royalties	\$ 1,014	\$ 983	\$ 127	\$ 161	\$ -	\$ -	\$ 1,141	\$ 1,144
Supplier and distributor incentive revenues	1,300	1,084	61	72	-	-	1,361	1,156
Franchise license fees	15	21	5	15	-	-	20	36
Area development exclusivity fees and foreign master license fees	2	2	1	1	-	-	3	3
Advertising fund contributions	476	451	41	51	-	-	517	502
Supplier convention funds	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	23	-	23
Other franchise revenue	-	-	-	5	-	-	-	5
Total revenues	2,807	2,541	235	305	-	23	3,042	2,869
COSTS AND EXPENSES:								
General and administrative expenses	-	-	-	-	1,519	1,314	1,519	1,314
Franchise expenses	682	724	50	105	-	-	732	829
Provision for credit losses	-	-	-	-	7	9	7	9
Depreciation and amortization expense	-	-	-	-	42	53	42	53
Total costs and expenses	682	724	50	105	1,568	1,376	2,300	2,205
OPERATING INCOME								
Interest income	-	-	-	-	91	87	91	87
Other income	-	-	-	-	9	-	9	-
Total other income	-	-	-	-	100	87	100	87
INCOME/(LOSS) BEFORE TAXES								
Income tax expense	-	-	-	-	205	144	205	144
NET INCOME/(LOSS)	\$ 2,125	\$ 1,817	185	200	(1,468)	(1,266)	842	751
	\$ 2,125	\$ 1,817	185	200	\$ (1,673)	\$ (1,410)	\$ 637	\$ 607

	Pizza Inn Franchising		Pie Five Franchising		Corporate		Total	
	Six Months Ended December 28, 2025	December 29, 2024						
REVENUES:								
Franchise royalties	\$ 2,040	\$ 1,934	\$ 271	\$ 331	\$ -	\$ -	\$ 2,311	\$ 2,265
Supplier and distributor incentive revenues	2,528	2,206	108	142	-	-	2,636	2,348
Franchise license fees	36	41	7	23	-	-	43	64
Area development exclusivity fees and foreign master license fees	5	5	1	1	-	-	6	6
Advertising fund contributions	964	858	86	108	-	-	1,050	966
Supplier convention funds	209	217	-	-	-	-	209	217
Rental income	-	-	-	-	-	46	-	46
Other franchise revenue	-	-	-	7	-	-	-	7
Total revenues	5,782	5,261	473	612	-	46	6,255	5,919
COSTS AND EXPENSES:								
General and administrative expenses	-	-	-	-	2,897	2,734	2,897	2,734
Franchise expenses	1,659	1,613	110	211	-	-	1,769	1,824
Provision (recovery) for credit losses	-	-	-	-	11	(8)	11	(8)
Depreciation and amortization expense	-	-	-	-	84	96	84	96
Total costs and expenses	1,659	1,613	110	211	2,992	2,822	4,761	4,646
OPERATING INCOME								
Interest income	-	-	-	-	182	169	182	169
Other Income	-	-	-	-	17	4	17	4
Total other income	-	-	-	-	199	173	199	173
INCOME/(LOSS) BEFORE TAXES								
Income tax expense	-	-	-	-	411	313	411	313
NET INCOME/(LOSS)	\$ 4,123	\$ 3,648	\$ 363	\$ 401	\$ (2,793)	\$ (2,603)	\$ 1,693	\$ 1,446
	\$ 4,123	\$ 3,648	\$ 363	\$ 401	\$ (3,204)	\$ (2,916)	\$ 1,282	\$ 1,133

Item 2.**Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes appearing elsewhere in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended June 29, 2025, together with our Quarterly Report on Form 10-Q for the period ended September 28, 2025, may contain certain forward-looking statements that are based on current management expectations. Generally, verbs in the future tense and the words "believe," "expect," "anticipate," "estimate," "intends," "opinion," "potential" and similar expressions identify forward-looking statements. Forward-looking statements in this report include, without limitation, statements relating to our business objectives, our customers and franchisees, our liquidity and capital resources, and the impact of our historical and potential business strategies on our business, financial condition, and operating results. Our actual results could differ materially from our expectations. Further information concerning our business, including additional factors that could cause actual results to differ materially from the forward-looking statements contained in this Quarterly Report on Form 10-Q, are set forth in our Annual Report on Form 10-K for the year ended June 29, 2025, as well as our Quarterly Report on Form 10-Q for the period ended September 28, 2025. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The forward-looking statements contained herein speak only as of the date of this Quarterly Report on Form 10-Q and, except as may be required by applicable law, we do not undertake, and specifically disclaim any obligation to, publicly update or revise such statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Results of Operations**Overview**

Rave Restaurant Group, Inc., through its subsidiaries (collectively, the "Company" or "we," "us" or "our"), franchises pizza buffet ("Buffet Units"), delivery/carry-out ("Delco Units"), express restaurants ("Express Units") and ghost kitchens ("Pizza Inn Ghost Kitchen Units") under the trademark "Pizza Inn" and franchises fast casual pizza restaurants ("Pie Five Units") and ghost kitchens ("Pie Five Ghost Kitchen Units") under the trademarks "Pie Five Pizza Company" or "Pie Five". The Company also licenses Pizza Inn Express, or PIE, kiosks ("PIE Units"). We facilitate food, equipment and supply distribution to our domestic and international system of restaurants through agreements with third-party distributors. At December 28, 2025, franchised and licensed units consisted of the following:

Three Months Ended December 28, 2025

(in thousands, except unit data)

	Pizza Inn		Pie Five		All Concepts	
	Ending Units	System-Wide Retail Sales	Ending Units	System-Wide Retail Sales	Ending Units	System-Wide Retail Sales
Domestic Franchised/Licensed	97	\$ 26,909	16	\$ 2,268	113	\$ 29,177
International Franchised	19	\$ 1,593	-	\$ -	19	\$ 1,593

Six Months Ended December 28, 2025

(in thousands, except unit data)

	Pizza Inn		Pie Five		All Concepts	
	Ending Units	System-Wide Retail Sales	Ending Units	System-Wide Retail Sales	Ending Units	System-Wide Retail Sales
Domestic Franchised/Licensed	97	\$ 54,859	16	\$ 4,688	113	\$ 59,547
International Franchised	19	\$ 2,966	-	\$ -	19	\$ 2,966

The domestic units were located in 16 states predominantly situated in the southern half of the United States. The international units were located in five foreign countries.

Non-GAAP Financial Measures and Other Terms

The Company's financial statements are prepared in accordance with United States generally accepted accounting principles ("GAAP"). However, the Company also presents and discusses certain non-GAAP financial measures that it believes are useful to investors as measures of operating performance. Management may also use such non-GAAP financial measures in evaluating the effectiveness of business strategies and for planning and budgeting purposes. However, these non-GAAP financial measures should not be viewed as an alternative or substitute for the results reflected in the Company's GAAP financial statements.

We consider EBITDA and Adjusted EBITDA to be important supplemental measures of operating performance that are commonly used by securities analysts, investors and other parties interested in our industry. We believe that EBITDA is helpful to investors in evaluating our results of operations without the impact of expenses affected by financing methods, accounting methods and the tax environment. We believe that Adjusted EBITDA provides additional useful information to investors by excluding non-operational or non-recurring expenses to provide a measure of operating performance that is more comparable from period to period. Management also uses these non-GAAP financial measures for evaluating operating performance, assessing the effectiveness of business strategies, projecting future capital needs, budgeting and other planning purposes.

The following key performance indicators presented herein, some of which represent non-GAAP financial measures, have these meanings and are calculated as follows:

- “EBITDA” represents earnings before interest, taxes, depreciation and amortization.
- “Adjusted EBITDA” represents earnings before interest, taxes, depreciation and amortization, stock-based compensation expense, severance, gain/loss on sale of assets, costs related to impairment and other lease charges, franchisee default and closed store revenue/expense, and closed and non-operating store costs.
- “Retail sales” represents the restaurant sales reported by our franchisees, which may be segmented by brand or domestic/international locations.
- “Comparable store retail sales” includes the retail sales for restaurants that have been open for at least 18 months as of the end of the reporting period. The sales results for a restaurant that was closed for more than seven days for remodeling or relocation within the same trade area are not included in the calculation.
- “Average units open” reflects the number of restaurants open during a reporting period weighted by the percentage of the days in a reporting period that each restaurant was open.
- “Franchisee default and closed store revenue/expense” represents the net of accelerated revenues and costs attributable to defaulted area development agreements and closed franchised stores.
- “Closed and non-operating store costs” represent gain or loss on asset disposal, store closure expenses, lease termination expenses and expenses related to abandoned store sites.

EBITDA and Adjusted EBITDA

Adjusted EBITDA for the fiscal quarter ended December 28, 2025 increased \$0.1 million compared to the same period of the prior fiscal year. Year-to-date Adjusted EBITDA increased \$0.2 million compared to the same period of the prior fiscal year. The following table sets forth a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods shown (in thousands):

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

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Net income	\$ 637	\$ 607	\$ 1,282	\$ 1,133
Interest income	(91)	(87)	(182)	(169)
Income taxes	205	144	411	313
Depreciation and amortization	42	53	84	96
EBITDA	\$ 793	\$ 717	\$ 1,595	\$ 1,373
Stock-based compensation expense	62	53	100	126
Severance	6	5	6	5
Franchisee default and closed store revenue	(9)	32	(19)	23
Adjusted EBITDA	\$ 852	\$ 807	\$ 1,682	\$ 1,527

Pizza Inn Brand Summary

The following tables summarize certain key indicators for the Pizza Inn franchised and licensed domestic units that management believes are useful in evaluating performance:

Pizza Inn Retail Sales - Total Domestic Units	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
	(in thousands, except unit data)		(in thousands, except unit data)	
Buffet Units - Franchised	\$ 26,280	\$ 25,030	\$ 53,577	\$ 49,529
Delco/Express Units - Franchised	622	820	1,268	1,679
PIE Units - Licensed	5	4	9	14
Pizza Inn Ghost Kitchen Units - Franchised	2	1	5	3
Total Domestic Retail Sales	<u>\$ 26,909</u>	<u>\$ 25,855</u>	<u>\$ 54,859</u>	<u>\$ 51,225</u>
Pizza Inn Comparable Store Retail Sales - Total Domestic	\$ 25,782	\$ 25,145	\$ 52,897	\$ 50,232
Pizza Inn Average Units Open in Period				
Buffet Units - Franchised	80	78	79	78
Delco/Express Units - Franchised	14	23	14	23
PIE Units - Licensed	1	1	1	1
Pizza Inn Ghost Kitchen Units - Franchised	1	1	1	1
Total Domestic Units	<u>96</u>	<u>103</u>	<u>95</u>	<u>103</u>

Pizza Inn total domestic retail sales increased by \$1.1 million, or 4.1%, for the three months ended December 28, 2025 when compared to the same period of the prior year. Compared to the same fiscal quarter of the prior year, average Buffet Units open in the period increased from 78 to 80. Comparable store retail sales increased by \$0.6 million, or 2.5%, for the three month period ended December 28, 2025 as compared to the same period of the prior fiscal year. For the three months ended December 28, 2025, the increase in domestic retail sales were primarily the result of the increase in the average number of Buffet units, supplemented by an increase in comparable domestic store retail sales.

Pizza Inn total domestic retail sales increased by \$3.6 million, or 7.1%, for the six months ended December 28, 2025 when compared to the same period of the prior year. Compared to the same fiscal period of the prior year, average Buffet Units open in the period increased from 78 to 79. Comparable store retail sales increased by \$2.7 million, or 5.3%, for the six month period ended December 28, 2025 as compared to the same period of the prior fiscal year. For the six months ended December 28, 2025, the increase in domestic retail sales were primarily the result of the increase in the average number of Buffet Units, supplemented by an increase in comparable domestic store retail sales.

The following chart summarizes Pizza Inn restaurant activity for the three and six months ended December 28, 2025:

	Three Months Ended December 28, 2025			
	Beginning Units	Opened	Transfer	Closed
Buffet Units - Franchised	79	3	-	-
Delco/Express Units - Franchised	15	-	-	1
PIE Units - Licensed	1	-	-	-
Pizza Inn Ghost Kitchen Units - Franchised	1	-	-	1
Total Domestic Units	<u>96</u>	<u>3</u>	<u>-</u>	<u>2</u>
International Units (all types)	<u>20</u>	<u>1</u>	<u>-</u>	<u>2</u>
Total Units	<u>116</u>	<u>4</u>	<u>-</u>	<u>4</u>
Six Months Ended December 28, 2025				
	Beginning Units	Opened	Transfer	Closed
Buffet Units - Franchised	79	4	2	1
Delco/Express Units - Franchised	15	1	-	2
PIE Units - Licensed	1	-	-	-
Pizza Inn Ghost Kitchen Units - Franchised	1	-	-	1
Total Domestic Units	<u>96</u>	<u>5</u>	<u>2</u>	<u>4</u>
International Units (all types)	<u>22</u>	<u>2</u>	<u>-</u>	<u>5</u>
Total Units	<u>118</u>	<u>7</u>	<u>2</u>	<u>9</u>

There was a net increase of one unit in the total domestic Pizza Inn unit count during the three and six months ended December 28, 2025, respectively. There were zero and two units transferred between franchisees in the total domestic Pizza Inn unit count during the three and six months ended December 28, 2025, respectively. For the three and six months ended December 28, 2025, the number of international Pizza Inn units decreased by one and three net units, respectively. There were zero transfers in the total international Pizza Inn unit count during the three and six months ended December 28, 2025. The Company believes the number of both domestic and international Pizza Inn units will increase modestly in future periods.

Pie Five Brand Summary

The following tables summarize certain key indicators for the Pie Five franchised restaurants that management believes are useful in evaluating performance:

Pie Five Retail Sales - Total Units	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
	(in thousands, except unit data)			
Pie Five Units - Franchised	\$ 2,259	\$ 2,627	\$ 4,648	\$ 5,512
Pie Five Ghost Kitchen Units - Franchised	9	84	40	177
Total Domestic Retail Sales	\$ 2,268	\$ 2,711	\$ 4,688	\$ 5,689
Pie Five Comparable Store Retail Sales - Total	\$ 2,253	\$ 2,287	\$ 4,641	\$ 4,921
Pie Five Average Units Open in Period				
Pie Five Units - Franchised	16	18	16	18
Pie Five Ghost Kitchen Units - Franchised	-	2	1	2
Total Domestic Units	16	20	17	20

Pie Five total domestic retail sales decreased by \$0.4 million, or 16.3%, for the three months ended December 28, 2025 when compared to the same period of the prior year. Compared to the same fiscal quarter of the prior year, average units open in the period decreased from 18 to 16. Comparable store retail sales decreased by \$34 thousand, or 1.5%, for the three month period ended December 28, 2025 as compared to the same period of the prior fiscal year. For the three months ended December 28, 2025, the decrease in domestic retail sales were primarily the result of the decrease in average store count, supplemented by a decrease in comparable store retail sales.

Pie Five total domestic retail sales decreased by \$1.0 million, or 17.6%, for the six months ended December 28, 2025 when compared to the same period of the prior year. Compared to the same fiscal period of the prior year, average units open in the period decreased from 18 to 16. Comparable store retail sales decreased by \$0.3 million, or 5.7%, for the six month period ended December 28, 2025 as compared to the same period of the prior fiscal year. For the six months ended December 28, 2025, the decrease in domestic retail sales were primarily the result of the decrease in average store count, supplemented by a decrease in comparable store retail sales.

The following chart summarizes Pie Five restaurant activity for the three and six months ended December 28, 2025:

	Three Months Ended December 28, 2025				
	Beginning Units	Opened	Transfer	Closed	Ending Units
Pie Five Units - Franchised	16	-	-	-	16
Pie Five Ghost Kitchen Units - Franchised	1	-	-	1	-
Total Domestic Units	17	-	-	1	16
Six Months Ended December 28, 2025					
	Beginning Units	Opened	Transfer	Closed	Ending Units
Pie Five Units - Franchised	16	-	-	-	16
Pie Five Ghost Kitchen Units - Franchised	1	-	-	1	-
Total Domestic Units	17	-	-	1	16

There was a net decrease of one unit in the total domestic Pie Five unit count during the three and six months ended December 28, 2025. There were zero transfers in the total domestic Pie Five unit count during the three and six months ended December 28, 2025. We believe that Pie Five units will decrease modestly in future periods.

Financial Results

In addition to Corporate overhead support, the Company defines its operating segments as Pizza Inn Franchising and Pie Five Franchising. The following is additional business segment information for the three and six months ended December 28, 2025 and December 29, 2024 (in thousands):

Three Months Ended December 28, 2025 and December 29, 2024

	Pizza Inn Franchising		Pie Five Franchising		Corporate		Total	
	Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
REVENUES:								
Franchise and license revenues	\$ 2,807	\$ 2,541	\$ 235	\$ 300	\$ -	\$ -	\$ 3,042	\$ 2,841
Rental income	-	-	-	-	-	-	23	23
Other income	-	-	-	5	-	-	-	5
Total revenues	2,807	2,541	235	305	-	23	3,042	2,869
COSTS AND EXPENSES:								
General and administrative expenses	-	-	-	-	1,519	1,314	1,519	1,314
Franchise expenses	682	724	50	105	-	-	732	829
Provision for credit losses	-	-	-	-	7	9	7	9
Depreciation and amortization expense	-	-	-	-	42	53	42	53
Total costs and expenses	682	724	50	105	1,568	1,376	2,300	2,205
OPERATING INCOME:								
Interest income	-	-	-	-	91	87	91	87
Other income	-	-	-	-	9	-	9	-
Total other income	-	-	-	-	100	87	100	87
INCOME/(LOSS) BEFORE TAXES								
	\$ 2,125	\$ 1,817	\$ 185	\$ 200	\$ (1,468)	\$ (1,266)	\$ 842	\$ 751

Six Months Ended December 28, 2025 and December 29, 2024

	Pizza Inn Franchising		Pie Five Franchising		Corporate		Total	
	Six Months Ended		Six Months Ended		Six Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
REVENUES:								
Franchise and license revenues	\$ 5,782	\$ 5,261	\$ 473	\$ 606	\$ -	\$ -	\$ 6,255	\$ 5,867
Rental income	-	-	-	-	-	46	-	46
Other franchise revenue	-	-	-	6	-	-	-	6
Total revenues	5,782	5,261	473	612	-	46	6,255	5,919
COSTS AND EXPENSES:								
General and administrative expenses	-	-	-	-	2,897	2,734	2,897	2,734
Franchise expenses	1,659	1,613	110	211	-	-	1,769	1,824
Provision (recovery) for credit losses	-	-	-	-	11	(8)	11	(8)
Depreciation and amortization expense	-	-	-	-	84	96	84	96
Total costs and expenses	1,659	1,613	110	211	2,992	2,822	4,761	4,646
OPERATING INCOME:								
Interest income	-	-	-	-	182	169	182	169
Other income	-	-	-	-	17	4	17	4
Total other income	-	-	-	-	199	173	199	173
INCOME/(LOSS) BEFORE TAXES	\$ 4,123	\$ 3,648	\$ 363	\$ 401	\$ (2,793)	\$ (2,603)	\$ 1,693	\$ 1,446

Revenues:

Revenues are derived from franchise royalties, supplier and distributor incentive revenues, franchise license fees, area development exclusivity fees and foreign master license fees, advertising fund contributions, supplier convention funds, rental income, and other income. The volume of supplier and distributor incentive revenues is dependent on the level of total retail sales, which are impacted by changes in comparable store sales and restaurant count, as well as the products sold to franchisees through third-party food distributors.

Total revenues for the three month period ended December 28, 2025 and for the same period in the prior fiscal year were \$3.0 million and \$2.9 million, respectively.

Total revenues for the six month period ended December 28, 2025 and for the same period in the prior fiscal year were \$6.3 million and \$5.9 million, respectively.

Pizza Inn Franchise and License

Pizza Inn franchise revenues increased by \$0.3 million to \$2.8 million for the three month period ended December 28, 2025 as compared to the same period in the prior fiscal year. The 10.5% increase was driven by increases in supplier and distributor incentives and domestic royalties mainly due to an increase in system-wide retail sales. Pizza Inn franchise revenues increased by \$0.5 million to \$5.8 million for the six month period ended December 28, 2025 as compared to the same period in the prior fiscal year. The 9.9% increase was driven by increases in supplier and distributor incentives and domestic royalties mainly due to an increase in system-wide retail sales.

Pie Five Franchise and License

Pie Five franchise revenues decreased by \$0.1 million to \$0.2 million for the three month period ended December 28, 2025 as compared to the same period in the prior fiscal year. The 21.7% decrease was driven by decreases in domestic royalties and supplier and distributor incentives from lower system-wide retail sales mainly due to unit closures. Pie Five franchise revenues decreased by \$0.1 million to \$0.5 million for the six month period ended December 28, 2025 as compared to the same period in the prior fiscal year. The 21.9% decrease was driven by decreases in domestic royalties and supplier and distributor incentives from lower system-wide retail sales mainly due to unit closures.

*Costs and Expenses:*General and Administrative Expenses

Total general and administrative expenses increased by \$0.2 million for the three month period ended December 28, 2025 as compared to the same period of the prior fiscal year. The 15.6% increase was driven by increases in salaries, supplemented by increases in legal fees, which reflect fewer legal settlements recognized in the current year compared to the prior year. Total general and administrative expenses increased by \$0.1 million to \$2.9 million for the six month period ended December 28, 2025 as compared to the same period of the prior fiscal year. The 2.3% increase was driven by increases in salaries.

Franchise Expenses

Franchise expenses include general and administrative expenses directly related to the sale and continuing service of domestic and international franchises. Total franchise expenses decreased by \$0.1 million to \$0.7 million for the three month period ended December 28, 2025 as compared to the same period of the prior fiscal year. The 11.7% decrease was driven by decreases in salaries directly related to franchise operations. Total franchise expenses decreased by \$0.1 million to \$1.8 million for the six month period ended December 28, 2025 as compared to the same period of the prior fiscal year. The 3.0% decrease was driven by decreases in salaries directly related to franchise operations, offset by increases in advertising fees.

Provision (Recovery) for Credit Losses

The Company monitors franchisee receivable balances and adjusts credit terms when necessary to minimize the Company's exposure to high-risk accounts receivable. For the three month period ended December 28, 2025, provision for credit losses were \$7 thousand compared to \$9 thousand for the same period in the prior fiscal year. For the six month period ended December 28, 2025, provision for credit losses were \$11 thousand compared to recoveries for credit losses of \$8 thousand for the same period in the prior fiscal year.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased by \$11 thousand to \$42 thousand for the three month period ended December 28, 2025 as compared to the same period in the prior fiscal year. The decrease was primarily the result of lower depreciation of equipment. Depreciation and amortization expense decreased by \$12 thousand to \$84 thousand for the six month period ended December 28, 2025 as compared to the same period in the prior fiscal year. The decrease was primarily the result of lower depreciation of equipment due to less capital expenditure spend.

Interest Income

Interest income increased by \$4 thousand to \$91 thousand for the three month period ended December 28, 2025 as compared to the same period in the prior fiscal year and increased by \$13 thousand to \$182 thousand for the six month period ended December 28, 2025 as compared to the same period in the prior fiscal year. The increase was primarily driven by interest received on U.S. Treasury bills.

Provision for Income Taxes

Total income tax expense consists of the following (in thousands):

	Three Months Ended		Six Months Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Federal tax expense	\$ 178	\$ 121	\$ 347	\$ 264
State tax expense	27	23	64	49
Total income tax expense	\$ 205	\$ 144	\$ 411	\$ 313

For the three and six months ended December 28, 2025, the Company recorded an income tax expense of \$205 thousand and \$411 thousand, respectively. For the three and six months ended December 29, 2024, the Company recorded an income tax expense of \$144 thousand and \$313 thousand, respectively. The increase for the three months ended as of December 28, 2025 was driven by increases in federal taxes, primarily due to higher taxable income and fewer discrete tax items related to restricted stock units vesting than in the prior year. The increase for the six months ended as of December 28, 2025 was primarily driven by increases in federal taxes, primarily due to higher taxable income and fewer discrete tax items related to restricted stock units vesting than in the prior year.

The Company continually reviews the realizability of its deferred tax assets, including an analysis of factors such as future taxable income, reversal of existing taxable temporary differences, and tax planning strategies. In assessing the need for a valuation allowance, the Company considers both positive and negative evidence related to the likelihood of realization of deferred tax assets.

Earnings per Share

Basic net income per share remained relatively stable at \$0.04 per share for the three months ended December 28, 2025, compared to the comparable period in the prior fiscal year. The Company had net income of \$0.6 million for the three months ended December 28, 2025 compared to net income of \$0.6 million in the comparable period in the prior fiscal year, on revenues of \$3.0 million for the three months ended December 28, 2025 compared to \$2.9 million in the comparable period in the prior fiscal year.

Basic net income per share increased \$0.01 per share to \$0.09 per share for the six months ended December 28, 2025, compared to the comparable period in the prior fiscal year. The Company had net income of \$1.3 million for the six months ended December 28, 2025 compared to net income of \$1.1 million in the comparable period in the prior fiscal year, on revenues of \$6.3 million for the six months ended December 28, 2025 compared to \$5.9 million in the comparable period in the prior fiscal year.

Liquidity and Capital Resources

During the six month period ended December 28, 2025, the Company's primary source of liquidity was proceeds from operating activities.

Cash flows from operating activities generally reflect net income adjusted for certain non-cash items including depreciation and amortization, changes in deferred taxes, stock-based compensation, and changes in working capital. Cash provided by operating activities was \$0.9 million for the six month period ended December 28, 2025 compared to cash provided by operating activities of \$1.2 million for the six month period ended December 29, 2024. The primary driver of decreased operating cash flow during the six month period ended December 28, 2025 was increased prepaid expenses related to marketing and insurance.

Cash flows from investing activities reflect purchases and maturities of short-term investments as well as net proceeds from the sale of assets and capital expenditures for the purchase of Company assets. Cash used in investing activities during the six month period ended December 28, 2025 was \$3.1 million compared to cash used in investing activities of \$1.1 million for the six month period ended December 29, 2024. Net cash used in investing activities during the six month period ended December 28, 2025 was primarily attributable to decreased maturities of U.S. Treasury bills.

Cash flows used in financing activities generally reflect changes in the Company's stock and debt activity during the period. Net cash used in financing activities was zero for the six month period ended December 28, 2025 compared to net cash used in financing activities of \$0.2 million for the six month period ended December 29, 2024. Net cash used by financing activities for the six month period ended December 29, 2024 was primarily attributable to taxes paid on vested RSUs.

Management believes the cash and short-term investments on hand combined with net cash provided by operations will be sufficient to fund operations for the next 12 months and beyond.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect our reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent liabilities. The Company bases its estimates on historical experience and various other assumptions that it believes are reasonable under the circumstances. Estimates and assumptions are reviewed periodically. Actual results could differ materially from estimates.

The Company believes the following critical accounting policies require estimates about the effect of matters that are inherently uncertain, are susceptible to change, and therefore require subjective judgments. Changes in the estimates and judgments could significantly impact the Company's results of operations and financial condition in future periods.

Accounts receivable consist primarily of receivables generated from franchise royalties and supplier concessions. The Company records an allowance for credit losses to allow for any amounts which may be unrecoverable based upon an analysis of the Company's prior collection experience, customer creditworthiness and current economic trends. Actual realization of accounts receivable could differ materially from the Company's estimates.

The Company reviews long-lived assets for impairment when events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use and eventual disposition of the assets compared to their carrying value. If impairment is indicated, the carrying value of an impaired asset is reduced to its fair value, based on discounted estimated future cash flows.

Franchise revenue consists of income from license fees, royalties, area development and foreign master license agreements, advertising fund revenues, supplier incentive and convention contribution revenues. Franchise fees, area development and foreign master license agreement fees are amortized into revenue on a straight-line basis over the term of the related contract agreement. In event of a closed franchise or defaulted development agreement, the remaining balance of unamortized license fees will be recognized in entirety as of the date of the closure or default. Royalties and advertising fund revenues, which are based on a percentage of franchise retail sales, are recognized as income as retail sales occur. Supplier incentive revenues are recognized as earned, typically as the underlying commodities are shipped.

The Company continually reviews the realizability of its deferred tax assets, including an analysis of factors such as future taxable income, reversal of existing taxable temporary differences, and tax planning strategies. The Company assesses whether a valuation allowance should be established against its deferred tax assets based on consideration of all available evidence, using a "more likely than not" standard. In assessing the need for a valuation allowance, the Company considers both positive and negative evidence related to the likelihood of realization of deferred tax assets. In making such assessment, more weight is given to evidence that can be objectively verified, including recent operating performance.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, which prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that it has taken or expects to take on a tax return. ASC 740-10 requires that a company recognize in its financial statements the impact of tax positions that meet a "more likely than not" threshold, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. As of December 28, 2025 and June 29, 2025, the Company had no uncertain tax positions.

The Company assesses its exposures to loss contingencies from legal matters based upon factors such as the current status of the cases and consultations with external counsel and provides for the exposure by accruing an amount if it is judged to be probable and can be reasonably estimated. If the actual loss from a contingency differs from management's estimate, operating results could be adversely impacted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for a smaller reporting company.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that information it is required to disclose in the reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Company's principal executive officer and principal financial officer, or persons performing similar functions, have evaluated the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on such evaluation, the Company's principal executive officer and principal financial officer, or persons performing similar functions, have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. During the most recent fiscal quarter, there have been no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject to various claims and contingencies related to employment agreements, franchise disputes, lawsuits, taxes, food product purchase contracts and other matters arising out of the normal course of business. Management believes that any such claims and actions currently pending are either covered by insurance or would not have a material adverse effect on the Company's annual results of operations or financial condition if decided in a manner that is unfavorable to the Company.

Item 1A. Risk Factors

Not required for a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three and six months ended December 28, 2025, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

1. The financial statements filed as part of this report are listed in the Index to Consolidated Financial Statements and Supplementary Data appearing on page F-1 of this report on Form 10-K.
2. Any financial statement schedule filed as part of this report is listed in the Index to Consolidated Financial Statements and Supplementary Data appearing on page F-1 of this report on Form 10-K.
3. Exhibits:

3.1	Amended and Restated Articles of Incorporation of Rave Restaurant Group, Inc. (incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed January 8, 2015).
3.2	Amended and Restated Bylaws of Rave Restaurant Group, Inc. (incorporated by reference to Exhibit 3.2 to the registrant's Current Report on Form 8-K filed January 8, 2015).
10.1	2015 Long Term Incentive Plan of the Company (filed as Exhibit 10.1 to Form 8-K filed November 20, 2014 and incorporated herein by reference).*
10.2	Form of Stock Option Grant Agreement under the Company's 2015 Long Term Incentive Plan (filed as Exhibit 10.2 to Form 8-K filed November 20, 2014 and incorporated herein by reference).*
10.3	Form of Restricted Stock Unit Award Agreement under the Company's 2015 Long-Term Incentive Plan (filed as Exhibit 10.3 to Form 10-K/A filed on September 30, 2019 and incorporated herein by reference).*
10.4	Lease Agreement dated November 1, 2016, between A&H Properties Partnership and Rave Restaurant Group, Inc. (filed as Exhibit 10.4 to Form 10-K for the year ended June 30, 2019 and incorporated herein by reference).*
10.5	First Amendment to Lease and Expansion dated July 1, 2017, between A&H Properties Partnership and Rave Restaurant Group, Inc. (filed as Exhibit 10.5 to Form 10-K for the year ended June 30, 2019 and incorporated herein by reference).*
10.6	Second Amendment to Lease Agreement effective June 1, 2020, between A&H Properties Partnership and Rave Restaurant Group, Inc. (filed as Exhibit 10.6 to Form 10-K for the fiscal year ended June 27, 2021 and incorporated herein by reference).
10.7	Letter agreement dated October 18, 2019, between Rave Restaurant Group, Inc. and Brandon Solano (filed as Exhibit 10.1 to Form 8-K filed October 21, 2019 and incorporated herein by reference).*
10.8	Letter agreement dated March 25, 2024, between Rave Restaurant Group, Inc. and Jay Rooney (filed as Exhibit 10.1 to Form 8-K filed March 26, 2024 and incorporated herein by reference).*
10.9	2025 Long Term Incentive Plan of the Company (filed herewith).
10.10	Form of Stock Option Grant Agreement under the Company's 2025 Long Term Incentive Plan (filed herewith).
10.11	Form of Restricted Stock Unit Award Agreement under the Company's 2025 Long Term Incentive Plan (filed herewith).
31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer.
32.1	Section 1350 Certification of Principal Executive Officer.
32.2	Section 1350 Certification of Principal Financial Officer.
101	Interactive data files pursuant to Rule 405 of Regulation S-T.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

* Management contract or compensatory plan or agreement.

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 thereunto duly authorized.

RAVE RESTAURANT GROUP, INC.
(Registrant)

By: /s/ Brandon L. Solano
Brandon L. Solano
Chief Executive Officer
(principal executive officer)

By: /s/ Jay D. Rooney
Jay D. Rooney
Chief Financial Officer
(principal financial officer)

Dated: February 5, 2026

Exhibit 10.9

RAVE RESTAURANT GROUP, INC. 2025 LONG TERM INCENTIVE PLAN

Section 1 Purpose

RAVE RESTAURANT GROUP, INC. (the “Corporation”) establishes this 2025 LONG TERM INCENTIVE PLAN (the “2025 Plan”) to:

- (a) attract and retain key executive and managerial employees;
- (b) motivate participating employees, by means of appropriate incentives, to achieve long-range goals;
- (c) attract and retain well-qualified individuals to serve as members of the Corporation’s Board of Directors (the “Board”);
- (d) provide incentive compensation opportunities that are competitive with those of other similar enterprises; and
- (e) further identify the interests of directors and eligible employees with those of the Corporation’s shareholders through compensation alternatives based on the Corporation’s common stock, \$0.01 par value per share (the “Common Stock”);

and thereby promote the long-term financial interest of the Corporation, including the growth in value of the Corporation’s equity and enhancement of long-term shareholder return.

Section 2 Scope

Awards under the 2025 Plan may be granted in the form of (a) incentive stock options (“incentive stock options”) as provided in Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”), (b) non-qualified stock options (“non-qualified options”) (unless otherwise indicated, references in the 2025 Plan to “options” include incentive stock options and non-qualified options), (c) shares of the Common Stock that are restricted as provided in Section 12 hereof (“restricted shares”), or (d) units representing the right to receive shares of the Common Stock as provided in Section 13 hereof (“restricted stock units”). Stock appreciation rights (“rights”) may accompany options. Rights may also be granted without accompanying options. The maximum aggregate number of shares of Common Stock with respect to which options, restricted shares, restricted stock units, and rights granted without accompanying options may be granted from time to time under the 2025 Plan shall be one million, five hundred thousand (1,500,000) shares (subject to adjustment as described in Section 16 hereof). Shares of Common Stock with respect to which awards are granted may be, in whole or in part, authorized and unissued shares or authorized and issued shares reacquired and held in the treasury of the Corporation, as the Board shall from time to time determine. If for any reason (other than the surrender of options or Deemed Options (as defined in Section 9(b)) upon exercise of rights as provided in Section 9 hereof) any shares as to which an option has been granted cease to be subject to purchase thereunder, or any restricted shares are forfeited to the Corporation, or any shares cease to be issuable with respect to restricted stock units, or any right issued without accompanying options terminates or expires without being exercised, then the shares in respect of which such option or right was granted, or which relate to such restricted shares or restricted stock units, shall become available for subsequent awards under the 2025 Plan.

Section 3 Effective Date

The 2025 Plan shall become effective on the calendar day immediately following the date the 2025 Plan is approved by the shareholders of the Corporation. If the shareholders of the Corporation approve the 2025 Plan, it shall terminate on the tenth anniversary of its effective date. Upon effectiveness, the 2025 Plan will supersede the Company’s 2015 Long Term Incentive Plan.

Section 4 Administration

(a) The 2025 Plan shall be administered, construed and interpreted solely by the Compensation Committee, or any successor thereto, of the Board (the “Committee”). The Committee shall consist of two or more directors. Unless otherwise determined by the Board, each member of the Compensation Committee shall be (i) a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “1934 Act”), and (ii) an “outside director” as defined under Section 162(m) of the Code, unless administration of this Plan by “outside directors” is not then required in order to qualify for tax deductibility under Section 162(m) of the Code.

(b) Subject to the express provisions of Rule 16b-3 promulgated under the 1934 Act and Treasury regulation §1.162-27, the Committee shall have plenary authority in its sole discretion, and subject to the express provisions of the 2025 Plan, to:

(i) Grant options and to determine the purchase price of the Common Stock covered by each option (the “exercise price”), the term of each option, the employees to whom and the time or times at which options shall be granted and the number of shares to be covered by each option;

(ii) Designate options as incentive stock options or non-qualified options and to determine which options shall be accompanied by rights;

(iii) Grant rights without accompanying options and to determine the employees to whom and the time or times at which such rights shall be granted and the exercise price, term, and number of shares of Common Stock covered by any Deemed Option corresponding thereto;

(iv) Grant restricted shares and to determine the term of the restricted period and other conditions applicable to such restricted shares, the employees to whom and the time or times at which restricted shares shall be granted and the number of restricted shares to be covered by each grant;

(v) Grant restricted stock units and to determine the period of continued employment prior to the vesting of all or any portion of the restricted stock units (the “vesting period”), any criteria pertaining to the performance of the Corporation or any of its subsidiaries, divisions or business units which may be a condition to the issuance of shares attributable to all or any portion of restricted stock units (“performance criteria”), and any other conditions applicable to such restricted stock units; and further to determine the employees to whom and the time or times at which restricted stock units shall be granted and the number of shares (or formula for determining the number of shares) of Common Stock to be covered by each grant;

(vi) Interpret the 2025 Plan and prescribe, amend and rescind rules and regulations relating to the 2025 Plan;

(vii) Determine the terms and provisions of the option, right, restricted share and restricted stock unit agreements entered into in connection with awards under the 2025 Plan;

(viii) Prepare and distribute in such manner as the Committee determines to be appropriate information concerning the 2025 Plan; and

(ix) Make all other determinations deemed necessary or advisable for the administration of the 2025 Plan.

The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the 2025 Plan; provided, however, that the Committee shall not delegate its authority to construe and interpret the 2025 Plan, to determine which employees may participate in the 2025 Plan, or to make grants of options, restricted shares, restricted stock units and rights, or any authority which pertains to awards granted to persons subject to Section 16(b) of the 1934 Act or Section 162(m) of the Code.

(c) Subject to the express provisions of Rule 16b-3 promulgated under the 1934 Act and Treasury regulation §1.162-27, the Committee may adopt such rules as it deems necessary, desirable or appropriate. The Committee may act at a meeting or in writing without a meeting. The Committee shall elect one of its members as chairman, appoint a secretary (who may or may not be a Committee member) and advise the Board of such actions. The secretary shall keep a record of all minutes and forward all necessary communications to the Corporation. A majority of the Committee shall constitute a quorum. All decisions of the Committee shall be made by a vote of not less than a majority of the Committee members present at a meeting of the Committee at which a quorum is present or by a written consent signed by all of the members of the Committee. A dissenting Committee member who, within a reasonable time after he has knowledge of any action or failure to act in accordance with the preceding sentence, registers his dissent in writing delivered to the other Committee members and to the Board, shall not be responsible for any such action or failure to act.

(d) The Corporation shall pay all usual and reasonable expenses of the Committee, and no member shall receive compensation with respect to his services for the Committee except as may be authorized by the Board. The Committee may employ attorneys, consultants, accountants or other persons, and the Committee, the Corporation and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all employees who have received awards, the Corporation and all other interested persons. No member of the Committee shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the 2025 Plan or awards made thereunder, and the Corporation shall indemnify and hold harmless each member of the Committee against all loss, cost, expenses or damages occasioned by any act or omission to act in connection with any such action, determination or interpretation under or of the 2025 Plan, consistent with the Corporation's articles of incorporation and bylaws.

(e) Subject to such limitations or restrictions as may be imposed by the Code or other applicable law, the Committee may grant to an employee who has been granted an award under the 2025 Plan or any other benefit plan maintained by the Corporation or any of its subsidiaries, or any predecessor or successor thereto, in exchange for the surrender and cancellation of such prior award, a new award with such terms and conditions as the Committee may deem appropriate and consistent with the provisions of the 2025 Plan.

(f) At any time that a member of the Committee is not a "qualified member" (which shall mean a member who is (i) a "non-employee director" within the meaning of Rule 16b-3(b)(3) promulgated under the 1934 Act and (ii) an "outside director" within the meaning of Treasury regulation §1.162-27), any action of the Committee relating to an award granted or to be granted to an employee who is then subject to Section 16 of the 1934 Act in respect of the Corporation, or relating to an award intended by the Committee to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code and regulations thereunder, may be taken either (A) by a subcommittee, designated by the Committee, composed solely of two or more qualified members, or (B) by the Committee but with each such member who is not a qualified member abstaining or recusing himself or herself from such action; provided, however, that, upon such abstention or recusal, the Committee remains composed solely of two or more qualified members. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of such non-qualified member(s), shall be the action of the Committee for purposes of this Plan. Any action of the Committee shall be final, conclusive and binding on all persons.

(g) Notwithstanding the powers of the Committee set forth in this Section 4, no award may be repriced, replaced, regranted through cancellation, or modified without approval of the Corporation's shareholders (except in connection with a change in the Corporation's capitalization as described in Section 16) if the effect would be to reduce the exercise price for the shares of Common Stock underlying such award.

Section 5 Eligibility Factors To Be Considered in Granting Awards

(a) Awards shall be granted only to persons who are employees of the Corporation or one or more of its subsidiaries (as defined below) or directors of the Corporation who are not employees of the Corporation ("non-employee directors"). In determining the individuals to whom awards shall be granted, the number of shares of Common Stock with respect to which each award shall be granted, and the terms and conditions of each award, the Committee shall take into account the nature of the individual's duties, his or her present and potential contributions to the growth and success of the Corporation, and such other factors as the Committee shall deem relevant in connection with accomplishing the purposes of the 2025 Plan.

(b) For purposes of the 2025 Plan, the term "subsidiary" means any corporation (other than the Corporation) or other entity of which the Corporation owns, directly or indirectly, a majority of the voting power of the voting equity securities or other equity interests.

(c) Unless a different meaning is indicated or required by the context and except in the case of application of Section 10, the term "employee" as used in the Plan shall include a non-employee director of the Corporation, and the term "employed" or "employment" shall include service by a non-employee director as a member of the Board.

Section 6 Option Price; Fair Market Value

The per share exercise price of each option for shares of Common Stock shall be determined by the Committee, but shall not in any event be less than the Fair Market Value per Share on the date the option is granted. For purposes of the 2025 Plan, the term "Fair Market Value per Share" as of any date shall mean for shares of Common Stock with respect to which restricted shares, restricted stock units, options and rights shall be granted, (i) the closing price of the Common Stock on such date (or if there are no sales on such date, on the next preceding date on which there were sales), as reported on the principal consolidated transaction reporting system for the principal national securities exchange on which the Common Stock is listed or admitted to trading, or (ii) if the Common Stock is not listed or admitted to trading on any national securities exchange, the closing price of the Common Stock as reported on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System ("Nasdaq"), or (iii) if the Common Stock is not listed or admitted to trading on the Nasdaq National Market System, the last quoted sales price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the Nasdaq System or such other system as may then be in use, or (iv) if the Common Stock is not reported on any such system and is not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Board, or (v) if no such market maker is making a market in the Common Stock, the fair value of the Common Stock as determined in good faith by the Board; provided, however, that in any event the Fair Market Value per Share shall be appropriately adjusted to reflect events described in Section 16 hereof. The Committee shall determine the date on which an option is granted; provided, however, that such date is consistent with the Code and any applicable rules or regulations thereunder. In the absence of such determination, the date on which the Committee adopts a resolution granting an option shall be considered the date on which such option is granted, so long as the employee to whom the option is granted is promptly notified of the grant and a written option agreement is duly executed as of the date of the resolution. The exercise price so determined shall also be applicable in connection with the exercise of any related right.

Section 7 Term of Options

The term of each option granted under the 2025 Plan shall be as the Committee shall determine, but in no event shall any option have a term of more than 10 years from the date of grant, subject to earlier termination as provided in Sections 14 and 15 hereof. If the holder of an incentive stock option owns, at the time the incentive stock option is granted, stock of the Corporation possessing more than 10% of the combined voting power of all classes of stock of the Corporation or any subsidiary, the term of such incentive stock option shall not exceed five years from the date of grant.

Section 8 Exercise of Options

(a) Subject to the provisions of the 2025 Plan, and unless otherwise provided in the option agreement, an option granted under the 2025 Plan shall become 100% vested at the earliest of (i) the employee's retirement from employment at or after Retirement Age (as defined in Section 14 hereof), (ii) the employee's death or total and permanent disability (as defined in Section 15 hereof), or (iii) a Change in Control (as defined in Section 21 hereof). Prior to becoming 100% vested, each option shall become exercisable in such cumulative installments and upon such events as the Committee may determine in its sole discretion. The Committee may also, in its sole discretion, accelerate the exercisability of any option or installment thereof at any time.

(b) An option may be exercised at any time or from time to time (subject, in the case of an incentive stock option, to such restrictions as may be imposed by the Code), as to any or all full shares of Common Stock as to which the option has become exercisable; provided, however, that an option shall not be exercised at any time as to less than 100 shares (or less than the number of full shares of Common Stock as to which the option is then exercisable, if that number is less than 100 shares).

(c) At the time of exercise of any option, the per share exercise price of such option shall be paid in full for each share of Common Stock with respect to which such option is exercised. Payment may be made in cash or, with the approval of the Committee, in shares of the Common Stock, valued at the Fair Market Value per Share on the date of exercise. An option holder may also make payment at the time of exercise of an option, with the approval of the Committee, by delivering to the Corporation a properly executed exercise notice together with irrevocable instructions to a broker approved by the Corporation, that upon such broker's sale of shares with respect to which such option is exercised, it is to deliver promptly to the Corporation the amount of sale proceeds necessary to satisfy the option exercise price and any required withholding taxes; provided, however, that the right to facilitate an option exercise by the use of a broker transaction shall, for individuals subject to Section 16 of the 1934 Act and members of the Board, be available only to the extent allowed pursuant to the Sarbanes-Oxley Act of 2002 and applicable rules and regulations of the Securities and Exchange Commission.

(d) Upon the exercise of an option or portion thereof in accordance with the 2025 Plan, the option agreement and such rules and regulations as may be established by the Committee, the holder thereof shall have the rights of a shareholder with respect to the Common Stock issued as a result of such exercise.

Section 9 Award and Exercise of Rights

(a) The Committee may grant a right as a primary right or an additional right in the manner set forth in this Section 9. A right granted in connection with an option must be granted at the time the option is granted. Each right shall be subject to the same terms and conditions as the related option or Deemed Option and shall be exercisable only to the extent the option or Deemed Option is exercisable.

(b) The Committee may award a primary right either alone or in connection with any option granted under the 2025 Plan. Each primary right granted without a corresponding option shall nevertheless be deemed for certain purposes described in this Section 9 to have been accompanied by an option (a "Deemed Option"). A Deemed Option shall have no value, and no shares of Common Stock (or other consideration) shall be delivered upon exercise thereof, but such Deemed Option shall serve solely to establish the terms and conditions of the corresponding primary right. At the time of grant of a primary right not granted in connection with an option, the Committee shall set forth the terms and conditions of the corresponding Deemed Option. The terms and conditions of such Deemed Option shall include all terms and conditions that at the time of grant are required and, in the discretion of the Committee, may include any additional terms and conditions that at such time are permitted to be included in options granted under the 2025 Plan. A primary right shall entitle the employee to surrender unexercised the related option or Deemed Option (or any portion or portions thereof that the employee determines to surrender) and to receive in exchange, subject to the provisions of the 2025 Plan and such rules and regulations as from time to time may be established by the Committee, a payment having an aggregate value equal to (i) the excess of (A) the Fair Market Value per Share on the exercise date over (B) the per share exercise price of the option or Deemed Option, multiplied by (ii) the number of shares of Common Stock subject to the option, Deemed Option or portion thereof that is surrendered. Surrender of an option or Deemed Option or portion thereof in exchange for a payment as described in this Section is referred to as the "exercise of a primary right." Upon exercise of a primary right, payment shall be made in the form of cash, shares of Common Stock, or a combination thereof, as elected by the employee. Shares of Common Stock paid upon exercise of a primary right will be valued at the Fair Market Value per Share on the exercise date. Cash will be paid in lieu of any fractional share of Common Stock based upon the Fair Market Value per Share on the exercise date. Subject to Section 18 hereof, no payment will be required from the employee upon exercise of a primary right.

(c) The Committee may award an additional right in connection with any option granted under the 2025 Plan. An additional right shall entitle the employee to receive, upon the exercise of a related option, a cash payment equal to (i) the product determined by multiplying (A) the excess of (x) the Fair Market Value per Share on the date of exercise of the related option over (y) the option price per share at which such option is exercisable by (B) the number of shares of Common Stock with respect to which the related option is being exercised, multiplied by (ii) a percentage factor (which may be any percentage factor equal to or greater than 10% and equal to or less than 100%) as determined by the Committee at the time of the grant of such additional right or as determined in accordance with a formula for determination of such percentage factor established by the Committee at the time of the grant of such additional right. If the Committee specifies no other percentage factor or formula at the time of grant of such additional right, the percentage factor shall be deemed to be 100%. The Committee at any time, or from time to time, after the time of grant may in its discretion increase such percentage factor (or amend such formula so as to increase such factor) to not more than 100%.

(d) Upon exercise of a primary right, the number of shares of Common Stock subject to exercise under the related option or Deemed Option shall automatically be reduced by the number of shares of Common Stock represented by the option, Deemed Option or portion thereof surrendered. Shares of Common Stock subject to options, Deemed Options or portions thereof surrendered upon the exercise of rights shall not be available for subsequent awards under the 2025 Plan.

(e) If neither the right nor, in the case of a right (whether primary or additional) with a related option, the related option is exercised before the end of the day on which the right ceases to be exercisable, such right shall be deemed exercised as of such date and, subject to Section 18 hereof, a payment in the amount prescribed by Section 9(b) or Section 9(c), as the case may be, shall be paid to the employee in cash.

Section 10 Incentive Stock Options

(a) The Committee shall designate the employees to whom incentive stock options, as described in Section 422 of the Code or any successor section thereto, are to be awarded under the 2025 Plan and shall determine the number of shares of Common Stock to be covered by each incentive stock option. Incentive stock options shall be awarded only to employees of the Corporation or of its corporate subsidiaries, and non-employee directors shall not be eligible to receive awards of incentive stock options. In no event shall the aggregate Fair Market Value per Share of all Common Stock (determined at the time the option is awarded) with respect to which incentive stock options are exercisable for the first time by an individual during any calendar year (under all plans of the Corporation and its subsidiaries) exceed \$100,000.

(b) The purchase price of a share of Common Stock under each incentive stock option shall be determined by the Committee; provided, however, that in no event shall such price be less than 100% of the Fair Market Value per Share as of the date of grant (or 110% of such Fair Market Value per Share if the holder of the incentive stock option owns stock of the Corporation possessing more than 10% of the combined voting power of all classes of stock of the Corporation or any subsidiary).

(c) Except as provided in Sections 14 and 15 hereof, no incentive stock option shall be exercised at any time unless the holder thereof is then an employee of the Corporation or one of its subsidiaries. For this purpose, "subsidiary" shall include an entity that becomes a subsidiary after the grant of an incentive stock option and which subsequently employs the grantee as long as the grantee was, from the date of grant of the incentive stock option until the date of transfer to the new subsidiary, an employee of either the Corporation or a subsidiary of the Corporation.

(d) In the event of amendments to the Code or applicable rules or regulations relating to incentive stock options subsequent to the date hereof, the Corporation shall amend the provisions of the 2025 Plan, and the Corporation and the employees holding such incentive stock options shall agree to amend outstanding option agreements to conform to such amendments.

Section 11 Transferability of Awards

(a) The Committee may, in its discretion, permit a holder of an award, other than an incentive stock option, to transfer all or any portion of the award, or authorize all or a portion of such award to be granted on terms which permit transfer by such holder; provided, however, that, in either case, the transferee or transferees must be (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, in each case with respect to the original holder of the award (the "original holder"), (ii) any person sharing the original holder's household (other than a tenant or employee of the Corporation), (iii) a trust in which these persons have more than fifty percent of the beneficial interest, (iv) a foundation in which these persons (or the original holder) control the management of assets, or (v) any other entity in which these persons (or the original holder) own more than fifty percent of the voting interests (collectively, "permitted transferees"); provided further that, (A) there may be no consideration for any such transfer, and (B) subsequent transfers of awards transferred as provided above shall be prohibited except subsequent transfers back to the original holder and transfers to other permitted transferees of the original holder.

(b) An award may, in the Committee's discretion, be transferred to a permitted transferee pursuant to a domestic relations order entered or approved by a court of competent jurisdiction only upon delivery to the Corporation of written notice of such transfer and a certified copy of such order.

(c) Notwithstanding anything to the contrary in this Section 11, an incentive stock option shall not be transferable other than by will or the laws of descent and distribution. Except as expressly permitted by Section 11(a) and Section 11(b), awards shall not be transferable other than by will or the laws of descent and distribution.

(d) Following the transfer of any award as contemplated by this Section 11, such award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that the provisions of the award relating to exercisability shall continue to be applied with respect to the original holder and, following the occurrence of any such events described therein, the award shall be exercisable by the permitted transferee, the recipient under a qualified domestic relations order, the estate or heirs of a deceased award holder, or other transferee, as applicable, only to the extent and for the periods that would have been applicable in the absence of the transfer.

(e) Any award holder desiring to transfer an award as permitted under this Section 11 shall make application therefor in the manner and time specified by the Committee and shall comply with such other requirements as the Committee may require to assure compliance with all applicable securities laws. The Committee shall not give permission for such a transfer if it may not be made in compliance with all applicable federal, state and foreign securities laws.

(f) To the extent the issuance to any permitted transferee of any shares of Common Stock issuable pursuant to awards transferred as permitted in this Section 11 is not registered pursuant to an effective registration statement of the Corporation generally covering the shares to be issued pursuant to the 2025 Plan, the Corporation shall not have any obligation to register the issuance of any such shares of Common Stock to any such transferee.

Section 12 Award and Delivery of Restricted Shares

(a) At the time an award of restricted shares is made, the Committee shall establish a period or periods of time (each a "Restricted Period") applicable to such award that shall not be more than 10 years. Each award of restricted shares may have a different Restricted Period or Restricted Periods. The Committee may, in its sole discretion, at the time an award is made, provide for the incremental lapse of Restricted Periods with respect to a portion or portions of the restricted shares awarded, and for the lapse or termination of restrictions upon all or any portion of the restricted shares upon the satisfaction of other conditions in addition to or other than the expiration of the applicable Restricted Period. The Committee may also, in its sole discretion, shorten or terminate a Restricted Period or waive any conditions for the lapse or termination of restrictions with respect to all or any portion of the restricted shares. Notwithstanding the foregoing, all restrictions shall lapse or terminate with respect to all restricted shares upon the earliest of (i) the employee's retirement from employment at or after Retirement Age (as defined in Section 14 hereof), or (ii) the employee's death or total and permanent disability (as defined in Section 15 hereof), or (iii) a Change in Control (as defined in Section 21 hereof).

(b) At the time a grant of restricted shares is made to an employee, a stock certificate representing a number of shares of Common Stock equal to the number of such restricted shares shall be registered in the employee's name but shall be held in custody by the Corporation for such employee's account. The employee shall generally have the rights and privileges of a shareholder as to such restricted shares including, without limitation, the right to vote such restricted shares, except that, subject to the earlier lapse or termination of restrictions as herein provided, the following restrictions shall apply: (i) the employee shall not be entitled to delivery of the stock certificate evidencing restricted shares until the expiration or termination of the Restricted Period applicable to such shares and the satisfaction of any other conditions prescribed by the Committee; (ii) none of the shares then subject to a Restricted Period shall be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period applicable to such shares and until the satisfaction of any other conditions prescribed by the Committee; and (iii) all of the shares then subject to a Restricted Period shall be forfeited and all rights of the employee to such restricted shares shall terminate without further obligation on the part of the Corporation if the employee ceases to be an employee of the Corporation or any of its subsidiaries before the expiration or termination of such Restricted Period and the satisfaction of any other conditions prescribed by the Committee applicable to such restricted shares. Dividends in respect of restricted shares shall be currently paid; provided, however, that in lieu of paying currently a dividend of shares of Common Stock in respect of restricted shares, the Committee may, in its sole discretion, register in the name of an employee a stock certificate representing such shares of Common Stock issued as a dividend in respect of restricted shares, and may cause the Corporation to hold such certificate in custody for the employee's account subject to the same terms and conditions as such restricted shares. Upon the forfeiture of any restricted shares, such forfeited restricted shares shall transfer to the Corporation without further action by the employee. The employee shall have the same rights and privileges, and be subject to the same restrictions, with respect to any shares received pursuant to Section 16 hereof.

(c) Upon the expiration or termination of the Restricted Period applicable to such shares and the satisfaction of any other conditions prescribed by the Committee, or at such earlier time as provided for herein, the restrictions applicable to the shares subject to such Restricted Period shall lapse and a certificate for a number of shares of Common Stock equal to the number of restricted shares with respect to which the restrictions have expired or terminated shall be delivered, free of all such restrictions, except any that may be imposed by law, to the employee or the employee's Beneficiary (as defined below). The Corporation shall not be required to deliver any fractional share of Common Stock but shall pay to the employee or the employee's Beneficiary, in lieu thereof, the product of (i) the Fair Market Value per Share (determined as of the date the restrictions expire or terminate), and (ii) the fraction of a share to which such employee would otherwise be entitled. Subject to Section 18 hereof, no payment will be required from the employee upon the issuance or delivery of any Common Stock upon the expiration or termination of a Restricted Period with respect to restricted shares. An employee's "Beneficiary" is a person or persons (natural or otherwise) designated by such employee, pursuant to a written instrument executed by such employee and filed with the Committee, to receive any benefits payable hereunder in the event of such employee's death.

Section 13 Award of Restricted Stock Units

(a) The Committee may make grants of restricted stock units to employees and in each case shall establish as to each award the vesting period, performance criteria (if any) and other terms and conditions to which the restricted stock units are subject. A restricted stock unit shall entitle an employee to receive from the Corporation a share of Common Stock, or a portion or multiple thereof, in all events subject to the vesting period, performance criteria (if any) and other terms and conditions of the award.

(b) Restricted stock unit awards shall be subject to a minimum vesting period of twelve consecutive months; provided, however, that the Committee may provide for accelerated vesting upon (i) the employee's retirement from employment at or after Retirement Age (as defined in Section 14 hereof), or (ii) the employee's death or total and permanent disability (as defined in Section 15 hereof), or (iii) a Change in Control (as defined in Section 21 hereof). The Committee may also, in its sole discretion, accelerate the vesting of any restricted stock unit at any time.

(c) Restricted stock unit awards may be granted so as to qualify for the performance-based exception under Code Section 162(m).

Section 14 Termination of Employment

(a) Unless otherwise determined by the Committee, in the event that the employment of an employee to whom an option or right has been granted under the 2025 Plan shall be terminated (except as set forth in Section 15 hereof), such option or right may, subject to the provisions of the 2025 Plan, be exercised (to the extent that the employee was entitled to do so at the termination of his employment) at any time within three (3) months after such termination or, in the case of a non-employee director who ceases to serve as a member of the Board or an employee whose termination results from retirement from employment at or after the attainment of age 65 (the "Retirement Age"), within five (5) years after such cessation of service or termination, but in no event later than the date on which the option or right expires; provided, however, that, unless otherwise determined by the Committee, any option or right held by an employee whose employment is terminated for cause (as determined by the Board in its sole discretion) or an employee who leaves the employ of the Corporation voluntarily shall, to the extent not theretofore exercised, terminate upon the date of termination of employment; and provided further, that (except as set forth in Section 15 hereof) no incentive stock option may be exercised more than three (3) months after the employee's termination of employment.

(b) Unless otherwise determined by the Committee, if an employee to whom restricted shares have been granted ceases to be an employee of the Corporation or of a subsidiary prior to the end of the Restricted Period applicable to such shares and the satisfaction of any other conditions prescribed by the Committee for any reason other than death, total and permanent disability (as defined in Section 15 hereof), or retirement from employment at or after the Retirement Age, the employee shall immediately forfeit all shares then subject to such Restricted Period.

(c) Unless otherwise determined by the Committee, if an employee to whom restricted stock units have been awarded ceases to be an employee of the Corporation or of a subsidiary prior to vesting of all such restricted stock units and the satisfaction of any other conditions prescribed by the Committee for any reason other than death, total and permanent disability (as defined in Section 15 hereof), or retirement from employment at or after the Retirement Age, the employee shall immediately forfeit all unvested restricted stock units.

(d) Awards granted under the 2025 Plan shall not be affected by any change of duties or position so long as the holder continues to be an employee of the Corporation or any subsidiary thereof. Any option, right, restricted share or restricted stock unit agreement, and any rules and regulations relating to the 2025 Plan, may contain such provisions as the Committee shall approve with reference to the determination of the date employment terminates and the effect of leaves of absence. Any such rules and regulations with reference to any award agreement shall be

consistent with the provisions of the Code and any applicable rules and regulations thereunder. Nothing in the 2025 Plan or in any award granted pursuant to the 2025 Plan shall confer upon any employee any right to continue in the employ of the Corporation or any subsidiary or interfere in any way with the right of the Corporation or any subsidiary to terminate such employment at any time.

Section 15 Death or Total and Permanent Disability of Employee

If an employee to whom an option or right has been granted under the 2025 Plan shall die or suffer a total and permanent disability while employed by the Corporation or a subsidiary, such option or right may be exercised, to the extent that the employee was entitled to do so at the termination of employment (including by reason of death or total and permanent disability), as set forth herein by the employee, legal guardian of the employee (unless such exercise would disqualify an option as an incentive stock option), a legatee or legatees of the employee under the employee's last will, or by the employee's personal representatives or distributees, whichever is applicable, at any time within one year after the date of the employee's death or total and permanent disability, but in no event later than the date on which the option or right terminates. Notwithstanding the above, if an employee who terminates employment by reason of total and permanent disability shall die, a legatee or legatees of such employee under the employee's last will, or the executor of such employee's estate, shall only have the right to exercise such option or right, to the extent that the employee was entitled to do so at the termination of employment, during the period ending one year after the date of the employee's termination of employment by reason of total and permanent disability. For purposes hereof, "total and permanent disability" shall have the meaning set forth in the Corporation's long-term disability policy.

Section 16 Adjustments upon Changes in Capitalization, etc.

Notwithstanding any other provision of the 2025 Plan, the Committee shall adjust the 2025 Plan, the number and class of shares available thereunder and any outstanding options, rights, restricted shares or restricted stock units to prevent material dilution or enlargement, including adjustments in the event of changes in the outstanding Common Stock by reason of stock dividends, split-ups, recapitalizations, mergers, consolidations, combinations or exchanges of shares, separations, reorganizations, liquidations and the like. In the event of any offer to holders of Common Stock generally relating to the acquisition of their shares, the Committee may make such adjustment as it deems equitable in respect to outstanding options, rights, restricted shares and restricted stock units including, in the Committee's discretion, revision of outstanding options, rights, restricted shares and restricted stock units so that they may be exercisable or redeemable for or payable in the consideration payable in the acquisition transaction. Any such determination by the Committee shall be conclusive. Any fractional shares resulting from such adjustments to options, rights, restricted shares or restricted stock units shall be eliminated.

Section 17 Termination and Amendment

The Board shall have the right to amend, suspend or terminate the 2025 Plan at any time; provided, however, that an amendment shall be subject to shareholder approval if such approval is required to comply with the Code, the rules of any securities exchange or market system on which securities of the Company are listed or admitted to trading at the time such amendment is adopted or any other applicable laws. The Board may delegate to the Committee all or any portion of its authority under this Section 17. If the 2025 Plan is terminated, the terms of the 2025 Plan shall, notwithstanding such termination, continue to apply to awards granted prior to such termination. In addition, except in the case of adjustments made pursuant to Section 16 hereof, no suspension, termination, modification or amendment of the 2025 Plan may, without the consent of the employee to whom an award shall theretofore have been granted, adversely affect the rights of such employee under such award.

Section 18 Withholding Tax

(a) The Corporation shall have the right to deduct from all amounts paid in cash under the 2025 Plan in consequence of the exercise of an option or right any taxes required by law to be withheld with respect to such cash payments. Where an employee or other person is entitled to receive shares of Common Stock pursuant to the exercise of an option or a right pursuant to the 2025 Plan, or the vesting of a restricted stock unit, the Corporation shall have the right to require the employee or such other person to pay to the Corporation the amount of any taxes that the Corporation is required to withhold with respect to such shares or, in lieu thereof, to retain, or sell without notice, a sufficient number of such shares to cover the amount required to be withheld. Upon the disposition (within the meaning of Section 424(c) of the Code) of shares of Common Stock acquired pursuant to the exercise of an incentive stock option prior to the expiration of the holding period requirements of Section 422(a)(1) of the Code, the employee shall be required to give notice to the Corporation of such disposition and the Corporation shall have the right to require the payment of the amount of any taxes that are required by law to be withheld with respect to such disposition.

(b) Upon termination of the Restricted Period with respect to any restricted shares (or such earlier time, if any, as an election is made by the employee under Section 83(b) of the Code, or any successor provisions thereto, to include the value of such shares in taxable income), the Corporation shall have the right to require the employee or other person receiving shares of Common Stock in respect of such restricted shares to pay to the Corporation the amount of taxes that the Corporation is required to withhold with respect to such shares of Common Stock or, in lieu thereof, to retain or sell without notice a sufficient number of shares of Common Stock held by it to cover the amount required to be withheld. The Corporation shall have the right to deduct from all dividends paid with respect to restricted shares the amount of taxes that the Corporation is required to withhold with respect to such dividend payments.

Section 19 Written Agreements

Each award of options, rights, restricted shares or restricted stock units shall be evidenced by a written agreement, executed by the employee and the Corporation, which shall contain such restrictions, terms and conditions as the Committee may require.

Section 20 Effect on Other Stock Plans

The adoption of the 2025 Plan shall have no effect on awards made or to be made pursuant to other plans covering employees of the Corporation or its subsidiaries, or any predecessors or successors thereto.

Section 21 Change in Control

(a) For purposes of this 2025 Plan, the phrase "Change in Control" means a change in ownership or control of the Corporation effected through any of the following means:

(i) a merger or consolidation of the Corporation with or into another entity, or the exchange of securities (other than a merger or consolidation) by the holders of the voting securities of the Corporation and the holders of voting securities of any other entity, in either case in which the shareholders of the Corporation immediately before the transaction do not own 50% or more of the combined voting power of the voting securities of the surviving entity or its parent immediately after the transaction;

(ii) any merger in which the Corporation is the surviving entity but in which securities possessing more than 50% of the total combined voting power of the Corporation's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such merger;

(iii) the sale, transfer or other disposition of all or substantially all of the assets of the Corporation in complete liquidation or dissolution of the Corporation;

(iv) the acquisition, at any time after the date hereof, by any "person" or "group" of "beneficial ownership" (as each such term is used in Regulation 13D promulgated under the 1934 Act) of securities possessing more than 50% of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made to the Corporation's shareholders the acceptance of which the Board has not recommended; or

(v) a change in the composition of the Board such that individuals who on the day immediately following the effective date of the 2025 Plan (the "Determination Date") constitute the members of the Board and any new director, whose election to the Board or nomination for election to the Board by the Corporation's shareholders was approved by a vote of at least a majority of the directors then in office who either were directors at the Determination Date or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board.

(b) Upon the occurrence of a Change in Control, with respect only to awards held by individuals who are employees or directors of the Corporation (and their permitted transferees pursuant to Section 11) at the occurrence of the Change in Control, (i) all outstanding rights and options shall immediately become fully vested and exercisable in full, including that portion of any right or option that pursuant to the terms and provisions of the applicable award agreement had not yet become exercisable; (ii) the Restricted Period of any restricted shares shall immediately be accelerated and the restrictions shall expire; and (iii) all restricted stock units shall immediately be fully vested. Nothing in this Section 21(b) shall impose on a holder the obligation to exercise any award immediately before or upon the Change of Control, nor shall the holder forfeit the right to exercise the award during the remainder of the original term of the award because of a Change in Control or because the holder's employment is terminated for any reason following a Change in Control.

(c) The Corporation shall attempt to keep all holders informed with respect to any Change in Control to the same extent that the Corporation informs its shareholders of any such event.

Section 22 Headings

Headings in this 2025 Plan are inserted for convenience only and are not to be considered in the construction of the provisions hereof.

RAVE RESTAURANT GROUP, INC.
STOCK OPTION GRANT AGREEMENT
UNDER THE 2025 LONG TERM INCENTIVE PLAN

To: _____

You ("Optionee") have been granted stock options to purchase shares of the Common Stock of Rave Restaurant Group, Inc. (the "Company") as follows:

Date of Grant: _____

Type of Award: [Incentive] [Non-Qualified] Stock Options

Total Shares Optioned: _____

Exercise Price per Share: \$_____

Exercisability Schedule:

Expiration Date: _____

The attached Terms and Conditions comprise an integral part of this Stock Option Grant Agreement, and the options hereby granted are subject to such Terms and Conditions and the 2025 Long Term Incentive Plan of the Company (the "2025 LTIP"). By your signature below, you agree to be bound by the provisions of this Stock Option Grant Agreement and the 2025 LTIP.

RAVE RESTAURANT GROUP, INC.

By: _____

OPTIONEE

TERMS AND CONDITIONS

The following Terms and Conditions comprise an integral part of the Stock Option Grant Agreement to which these Terms and Conditions are attached.

RECITALS

A. Optionee is regularly employed by Rave Restaurant Group, Inc. (the "Company") or one of its subsidiaries in a capacity that has been determined by the Compensation Committee of the Board of Directors of the Company (the "Committee") to comply with the requirements for eligibility to participate in the Company's 2025 Long Term Incentive Plan (the "2025 LTIP"), and the Company desires that Optionee remain in the employment of the Company or one of its subsidiaries and contribute to the growth and success of the Company.

B. The Committee has determined to grant to Optionee an option in order to encourage Optionee to remain in the employment of the Company or one of its subsidiaries and contribute to the growth and success of the Company by affording Optionee an opportunity to obtain an increased proprietary interest in the Company so as to assure a closer identification between Optionee's interest and the interest of the Company.

1. Grant of Option.

Subject to the terms and conditions of the 2025 LTIP, as such plan is now and may be hereafter amended, the Company has granted to Optionee the option to purchase from the Company the number of shares (the "Optioned Shares") of the Common Stock, \$0.01 par value per share, of the Company (the "Common Stock") indicated in the Stock Option Grant Agreement, at the exercise price and in accordance with the exercisability schedule therein reflected.

2. Manner of Exercising Option.

This option shall be exercised by Optionee only in the State of Texas at the principal office of the Company by:

(a) Delivering to the Secretary or Assistant Secretary of the Company a written notice specifying the number of Optioned Shares that Optionee then desires to purchase, which written notice shall be in substantially the form attached hereto as Exhibit "A" and shall be signed by Optionee; and

(b) Tendering the full exercise price of such Optioned Shares (i) in cash (including check, bank draft or money order), (ii) by the delivery of shares of Common Stock of the Company already owned by Optionee, (iii) by a combination of cash and shares of such stock, or (iv) otherwise in accordance with the 2025 LTIP.

As soon as practicable after such exercise of this option in whole or in part by Optionee, the Company will deliver to Optionee at the Company's principal office in the State of Texas a certificate or certificates for the number of shares with respect to which this option shall be so exercised, issued in Optionee's name. Each purchase of stock hereunder shall be a separate and divisible transaction and a complete contract in and of itself.

This option shall not be exercised at any one time as to less than 100 shares of Common Stock (or less than the number of shares of Common Stock as to which this option is then exercisable, if that number is less than 100 shares).

Notwithstanding any provision to the contrary herein contained, if the Fair Market Value per Share (as defined in the 2025 LTIP) exceeds the exercise price of this option per Optioned Share, the Committee, in its sole discretion, may elect, in lieu of delivering all or a portion of the Optioned Shares as to which this option has been exercised, to reimburse Optionee the exercise price tendered and to pay Optionee in cash or in shares of Common Stock, or a combination of cash and Common Stock, an amount having an aggregate value equal to the product of (i) the number of Optioned Shares as to which this option has been exercised times (ii) the excess of (A) the Fair Market Value per Share over (B) the exercise price of this option per Optioned Share. Such election by the Committee shall be made by giving written notice to Optionee.

3. Compliance with Securities and Other Laws. The Company shall not be required to sell or issue Optioned Shares if the issuance thereof would constitute a violation by either Optionee or the Company of any provision of any law or regulation of any governmental authority or any national securities exchange or market system. As a condition of any sale or issuance of Optioned Shares, the Company may place legends on shares, issue stop transfer orders and require such agreements or undertakings from Optionee as the Company may deem necessary or advisable to assure compliance with any such law or regulation, including, if the Company or its counsel deems it appropriate, representations from Optionee that (s)he is acquiring the Optioned Shares solely for investment and not with a view to distribution and that no distribution of such shares acquired by Optionee will be made unless registered pursuant to applicable federal and state securities laws or, in the opinion of counsel of the Company, such registration is unnecessary.

4. Early Termination of Option. In the event that Optionee ceases to be an employee of the Company or a subsidiary of the Company, for any reason, this option shall terminate completely as to all Optioned Shares which Optionee was not entitled to purchase at the date of such termination of employment. However, to the extent that this option could have been exercised at the date of termination of employment and Optionee could have purchased Optioned Shares at the date of such termination of employment, giving effect to the exercisability acceleration provisions of Section 6, then this option shall continue with respect to those Optioned Shares that Optionee could have purchased and had not purchased at the date of such termination of employment, to the extent set forth below:

(a) Discharge for Cause. If Optionee ceases to be an employee of the Company or a subsidiary by reason of the fact that (s)he is discharged for cause (as determined solely and exclusively by the Board of Directors of the Company in its sole discretion), all rights of Optionee to exercise this option shall terminate, lapse and be forfeited at the time of Optionee's termination of employment.

(b) Total and Permanent Disability. If Optionee ceases to be an employee of the Company or a subsidiary by reason of Optionee's total and permanent disability, Optionee or Optionee's legal guardian, as appropriate, shall have the right up to one (1) year from the date of Optionee's cessation of employment to exercise this option.

(c) Death. If Optionee dies while an employee of the Company or a subsidiary, the personal representatives, heirs, legatees or distributees of Optionee, as appropriate, shall have the right up to one (1) year from the date of Optionee's death to exercise this option.

(d) Other Termination of Employment. If Optionee ceases to be an employee of the Company or a subsidiary for any reason other than discharge for cause, total and permanent disability or death, Optionee shall have the right up to three (3) months from the date of Optionee's cessation of employment to exercise this option.

(e) Notwithstanding the provisions of paragraphs (b), (c) and (d) of this Section 4, this option shall not be exercisable under any condition after the date or dates specified in the Stock Option Grant Agreement as the latest date or dates on which this option may be exercised.

(f) For purposes hereof, "total and permanent disability" shall have the meaning set forth in the Company's long-term disability policy.

5. Nontransferability of Option. This option shall be transferable only to the extent permitted under the 2025 LTIP. Any attempted assignment, transfer, pledge, hypothecation or other disposition of this option contrary to the provisions of the 2025 LTIP, or the levy of any execution, attachment or similar process upon this option, shall be null and void and without effect.

6. Exercisability of Option.

(a) This option shall become and be exercisable in accordance with the schedule indicated in the Stock Option Grant Agreement. The option exercisability schedule will be accelerated in the event the provisions of paragraphs (b), (c) or (d) of this Section 6 apply.

(b) If Optionee ceases to be an employee of the Company or a subsidiary by reason of death, total and permanent disability (as defined in Section 4(f) hereof) or retirement at or after Retirement Age (as defined in the 2025 LTIP), Optionee or the personal representatives, heirs, legatees or distributees of Optionee, as appropriate, shall have the immediate right to exercise this option as to all the Optioned Shares to the extent not previously exercised.

(c) If the Company experiences a Change in Control (as defined in the 2025 LTIP), Optionee shall have the immediate right to exercise this option as to all the Optioned Shares to the extent not previously exercised.

(d) The option exercisability schedule may be accelerated by the Committee at any time in its sole discretion.

7. No Rights of a Stockholder or of Continued Employment. Optionee shall not have any of the rights of a stockholder of the Company with respect to the Optioned Shares except to the extent that one or more certificates for Optioned Shares shall have been delivered to Optionee, or (s)he has been determined to be a stockholder of record by the Company's transfer agent, upon due exercise of this option. Further, nothing herein shall confer upon Optionee any right to remain in the employ of the Company or any of its subsidiaries, and nothing herein shall be construed in any manner to terminate Optionee's employment at any time.

8. Interpretation of this Agreement. The administration of the 2025 LTIP has been vested in the Committee, and all questions of interpretation of this option shall be subject to determination by the Committee, which determination shall be final and binding on Optionee.

9. Option Subject to 2025 LTIP. This option is granted subject to the terms and provisions of the 2025 LTIP, as such plan is now and may be hereafter amended, which 2025 LTIP is incorporated herein by reference. In case of any conflict between the provisions hereof and the 2025 LTIP, the terms and provisions of the 2025 LTIP shall be controlling.

EXHIBIT "A"

Notice of Exercise of Option

I hereby exercise my option to purchase from Rave Restaurant Group, Inc. (the "Company") at Dallas, Texas _____ shares of its Common Stock in accordance with the Company's 2025 Long Term Incentive Plan, and in accordance with my Stock Option Grant Agreement dated _____, 20____, and hereby tender in payment therefor cash and/or Common Stock in the amount of, and/or with an aggregate Fair Market Value per Share (as defined in the 2025 Long Term Incentive Plan) equal to, \$_____, being \$____ per share.

(Signature of Optionee)

(Printed Name)

(Date)

**RAVE RESTAURANT GROUP, INC.
RESTRICTED STOCK UNIT AWARD AGREEMENT**

To:

Rave Restaurant Group, Inc. (the "Company") grants to you (the "Participant") restricted stock units ("Units"), as follows:

Date of Grant:

Units Granted:

Vesting Date:

Performance Criteria: As set forth in Exhibit A hereto

The attached Terms and Conditions comprise an integral part of this Restricted Stock Unit Award Agreement (this "Agreement"), and the Units granted hereby are subject to such Terms and Conditions. The Units are granted pursuant to and subject to all of the terms and conditions of the Rave Restaurant Group, Inc. 2025 Long Term Incentive Plan, as now or hereafter amended (the "2025 LTIP"). The Compensation Committee of the Company's Board of Directors (the "Committee") will administer this Agreement and any decision of the Committee will be final and conclusive. Terms not defined herein have the meanings provided in the 2025 LTIP.

By your signature below, you agree to be bound by the provisions of this Agreement and the 2025 LTIP.

RAVE RESTAURANT GROUP, INC.

By: _____

PARTICIPANT:

TERMS AND CONDITIONS

The following Terms and Conditions comprise an integral part of the Restricted Stock Unit Award Agreement to which these Terms and Conditions are attached.

R E C I T A L S

A. Participant is regularly employed by the Company (as used herein, including one of its subsidiaries) in a capacity that has been determined by the Committee to comply with the requirements for eligibility to participate in the 2025 LTIP, and the Company desires that Participant remain in the employment of the Company and contribute to the growth and success of the Company.

B. The Committee has determined to grant to Participant restricted stock units in order to encourage Participant to remain in the employment of the Company and to contribute to the growth and success of the Company by affording Participant an opportunity to obtain an increased proprietary interest in the Company so as to assure a closer identification between Participant's interests and the interest of the Company.

1. Grant of Restricted Stock Units.

Subject to the terms and conditions of the 2025 LTIP, the Company has granted to Participant the number of Units indicated in this Agreement. Each Unit so granted represents the right to receive one share (or percentage thereof in accordance with the achievement of the performance criteria provided in Exhibit A hereto) of the common stock, \$0.01 par value per share, of the Company (the "Common Stock"), subject to satisfaction of the vesting schedule, performance criteria and other conditions set forth herein.

2. Vesting.

The Units will become fully vested and nonforfeitable if (i) Participant remains continuously employed by the Company through the Vesting Date indicated in this Agreement, or vesting is accelerated as provided herein, and (b) the number of Units to be vested pursuant to the performance criteria set forth in Exhibit A is greater than zero.

3. Performance Criteria.

The number of shares issuable with respect to each Unit shall be determined by the Committee based on the performance criteria set forth in Exhibit A hereto.

4. Delivery of Shares.

The Company will deliver to Participant the number of shares of its Common Stock issuable pursuant to this Agreement promptly (and, in any event within 90 days) following the Vesting Date. If necessary or appropriate to ensure orderly administration of the Company's payroll and tax reporting obligations, the Company may accelerate vesting and delivery of shares up to of 30 days before the Vesting Date.

5. Forfeiture of Units.

All unvested Units will be forfeited in the event the Participant ceases to be an employee of the Company before the Vesting Date for any reason other than (i) the employee's retirement from employment at or after Retirement Age (as defined in Section 14 of the 2025 LTIP), (ii) the employee's death or total and permanent disability (as defined in Section 15 of the 2025 LTIP), or (iii) the Committee otherwise determines, in its sole discretion, that such Units should not be forfeited. If Participant ceases to be an employee of the Company before the Vesting Date under any of the circumstances set forth in clauses (i)-(iii) of the preceding sentence, then the number of Units indicated in this Agreement will be vested on a pro rata basis based on the number of full months from the Award Date until the Vesting Date which have elapsed as of the date of termination. In such event, the Company will deliver shares of its Common Stock to the Participant promptly following the otherwise applicable Vesting Date, subject to Section 13 below.

6. Change in Control.

Upon the occurrence of a Change in Control (as defined in Section 21 of the 2025 LTIP), all Units shall immediately become fully vested. In such event, the Company will deliver shares of its Common Stock to the Participant promptly following the otherwise applicable Vesting Date, subject to Section 13 below.

7. Delay for Specified Employees.

With respect to a Participant who ceases to be an employee of the Company before the Vesting Date under any of the circumstances set forth in clauses (i)-(iii) of the first sentence of Section 5 above, if such Participant is a "specified employee" (as defined in Section 409A(a)(2)(B)(i) of the Code and the generally applicable Internal Revenue Service guidance thereunder) on the date of separation, then, notwithstanding anything in Section 5 to the contrary, no shares will be delivered for Units until at least the date that is six months after the date of separation (or until the date of death, if earlier).

8. Nontransferability of Units.

The Units granted under this Agreement shall be transferable only to the extent permitted under the 2025 LTIP. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Units contrary to the provisions of the 2025 LTIP, or the levy of any execution, attachment or similar process upon the Units, shall be null and void and without effect.

9. Compliance with Securities and Other Laws.

The Company shall not be required to deliver any shares of its Common Stock in respect of Units if the delivery thereof would constitute a violation by either Participant or the Company of any provision of any law or regulation of any governmental authority or any national securities exchange or market system. As a condition of any delivery of shares of its Common Stock, the Company may place legends on certificates representing such shares, issue stop transfer orders and require such agreements or undertakings from Participant as the Company may deem necessary or advisable to assure compliance with any such laws or regulations including, if the Company or its counsel deems it appropriate, representations from Participant that (s)he is acquiring the shares solely for investment and not with a view to distribution and that no distribution of such shares acquired by Participant will be made unless registered pursuant to applicable federal and state securities laws or, in the opinion of counsel of the Company, such registration is unnecessary.

10. No Rights of a Stockholder or of Continued Employment.

Participant shall not have any of the rights of a stockholder of the Company with respect to Units except to the extent that one or more certificates for shares of the Common Stock shall have been delivered to Participant, or Participant has been determined to be a stockholder of record by the Company's transfer agent, upon satisfaction of the vesting schedule, performance criteria and other conditions set forth herein. Further, nothing herein shall confer upon Participant any right to remain in the employ of the Company.

11. Interpretation of this Agreement.

The administration of the 2025 LTIP has been vested in the Committee, and all questions of interpretation of this Agreement shall be subject to determination by the Committee, which determination shall be final and binding on Participant.

12. Units Subject to 2025 LTIP.

The Units are granted subject to the terms and provisions of the 2025 LTIP, as such plan is now and may be hereafter subsequently amended, which 2025 LTIP is incorporated herein by reference. In case of any conflict between the provisions hereof and the 2025 LTIP, the terms and provisions of the 2025 LTIP shall be controlling.

13. Code Section 409A.

This Agreement is intended to comply with the applicable requirements of Sections 409A(a)(2) through (4) of the Code and will be interpreted to the extent context reasonably permits in accordance with this intent. The parties agree to modify this Agreement or the timing (but not the amount) of any delivery of shares to the extent necessary to comply with Section 409A of the Code and avoid application of any taxes, penalties, or interest thereunder. However, in the event that any amounts payable under this Agreement are subject to any taxes, penalties or interest under Section 409A of the Code or otherwise, the Participant will be solely liable for the payment thereof.

EXHIBIT A

PERFORMANCE CRITERIA

1. The Units granted pursuant to this Agreement shall be subject to the Performance Criteria provided below:

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brandon L. Solano, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rave Restaurant Group, Inc. ("the Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 5, 2026

By: /s/ Brandon L. Solano
Brandon L. Solano
Chief Executive Officer
(principal executive officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jay D. Rooney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rave Restaurant Group, Inc. ("the Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 5, 2026

By: /s/ Jay D. Rooney
Jay D. Rooney
Chief Financial Officer
(principal financial officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Rave Restaurant Group, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The accompanying Quarterly Report on Form 10-Q for the quarter ended December 28, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Date: February 5, 2026

By: /s/ Brandon L. Solano
Brandon L. Solano
Chief Executive Officer
(principal executive officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Rave Restaurant Group, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The accompanying Quarterly Report on Form 10-Q for the quarter ended December 28, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Date: February 5, 2026

By: /s/ Jay D. Rooney
Jay D. Rooney
Chief Financial Officer
(principal financial officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.
