**Risk Factors Comparison 2023-06-08 to 2022-06-10 Form: 10-K**

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Investors should carefully consider all of the information set forth in this Form 10- K, including the following risk factors, before deciding to invest in any of the Company' s securities. The following risk factors are not exhaustive. Additional risks and uncertainties not presently known to the Company may also adversely impact its business. The Company' s business, financial condition, results of operations or prospects could be ~~materially~~ adversely affected by any of these risks. In that case, the trading price of the Company' s common stock could decline. This Form 10- K also contains forward- looking statements that involve risks and uncertainties. The Company' s results could materially differ from those anticipated in these forward- looking statements as a result of certain factors, including the risks it faces described below and elsewhere. See " Forward- Looking Statements " above. Risks Related to **Our** Business and Operations The COVID- 19 pandemic ~~has adversely affected and could continue to adversely affect our business, financial condition, and results of operations and outlook for an~~ **and** ~~extended period of time. The~~ **local, state and federal government responses to the** COVID- 19 pandemic ~~has had~~ **have previously significantly impacted our business** and **could** ~~is likely to~~ continue to **adversely affect** ~~have a significant impact on~~ our business **, financial condition,** and results of operations **in** ~~. Governmental restrictions and public perceptions of~~ the ~~risks associated with~~ **future. The global crisis resulting from the spread of** COVID- 19 ~~have caused consumers to avoid~~ **had a substantial impact on** ~~or~~ **our operations for** ~~limit nonessential travel, gatherings in public places and other~~ - **the** ~~social interactions~~ **fiscal year ended March 28** , **2021** ~~which has adversely affected,~~ and ~~could continue~~ to ~~adversely affect~~ **a lesser extent for the fiscal years ended March 27** , ~~our business~~ **2022 and March 26, 2023** . ~~The~~ **A recurrence of** COVID- 19 ~~pandemic has and may continue to~~ **or new variants of COVID- 19 could substantially** impact customer traffic at our Company- owned restaurants and franchised restaurants, as well as sales to our Branded Product Program customers and royalties **earned** from our licensing activities ~~. The COVID- 19 pandemic has required and may continue to require us to make difficult decisions about COVID- 19 protective measures, such as requiring employees and guests to be vaccinated and / or wear face coverings, which could impact our brand, employee satisfaction, hiring and retention, and the willingness of customers to frequent our Company- owned restaurants, franchised restaurants, or venues such as professional sports arenas, amusement parks, shopping malls or movie theaters. Our restaurant operations have been and could continue to be disrupted by employees who are unable or unwilling to work, whether because of illness, quarantine, fear of contracting COVID- 19 or caring for family members impacted by COVID- 19. These occurrences have resulted in labor shortages which has also further strained our ability to keep our Company- owned restaurants as well as franchised restaurants fully staffed and adversely impacted the results of operations. The COVID- 19 outbreak also has impacted and is likely to continue to impact our supply chain, which could negatively impact our business. We have experienced higher costs for beef and beef trimmings, labor, packaging and transportation as a result of increased consumer demand in connection with the continued recovery from the COVID- 19 pandemic. If our suppliers do not fulfill their obligations to us, we could face shortages of food items or other supplies at our Company- owned restaurants and franchised restaurants, and fulfilling our BPP customers' orders which may have a material adverse effect on our business, results of operations and financial condition~~ . The Company cannot predict if new variants of COVID- 19 ~~, in addition to the Delta variant, Omicron variant, and Omicron subvariant BA. 2,~~ will be discovered ~~or if there will be another surge~~ , what additional restrictions may be enacted **by local, state and the federal government** , to what extent it can maintain off- premises sales volumes, whether it can maintain sufficient staffing levels **at our Company- owned restaurants** , or if individuals will be comfortable ~~returning to~~ **congregating in** our dining rooms or venues such as professional sports arenas, amusement parks, shopping malls or movie theaters or following social distancing protocols, and what long- lasting effects the COVID- 19 pandemic may have on the Company as a whole. The COVID- 19 pandemic has heightened many of the other risks described in this Item 1A, " Risk Factors. " Our licensing revenue and overall profitability is...... results of operations and financial condition. Increases in the cost of food and paper products could harm our profitability and operating results. ~~The cost of~~ **General economic conditions, including economic downturns related to** the **COVID- 19 pandemic, have adversely affected our results of operations and may continue to do so. Similarly, significant inflation has negatively affected our labor,** food **, commodity** and paper **costs and** ~~products we use depends on a variety of factors, many~~ - **may continue to do so** ~~of which are beyond our control~~ . Food and paper products represent approximately 25 % to 30 % of our cost of restaurant sales. We purchase large quantities of beef and our beef costs in the United States represent approximately 80 % to 90 % of our ~~food costs~~ - **cost of sales** . The market for beef is particularly volatile and is subject to significant price fluctuations due to seasonal shifts, climate conditions, industry demand **, inflationary pressures** and other macroeconomic factors beyond our control. We ~~are experiencing and~~ have experienced **and may continue to experience** certain supply chain disruptions resulting from, among other things, capacity, transportation, fuel costs, staffing, and other COVID- 19 related challenges, which have and may continue to increase the cost of food **, commodity** and paper products and, in turn, may adversely affect our business, results of operations and financial condition. Future shortages or disruptions could be caused by the factors noted above as well as factors such as natural disasters, health epidemics and pandemics (including the COVID- 19 pandemic), social unrest, the impacts of climate change, and inflationary pressures. We cannot assure that our Company- owned restaurants or our franchised restaurants will be able to purchase its food **, commodity** or paper products at reasonable prices, or that the cost of such food **, commodity** or paper products will remain stable in the future. We are unable to predict the future cost of our hot dogs and expect to experience price volatility for our beef products during fiscal ~~2023~~ **2024** . To the extent that beef prices increase as compared to earlier periods, it could impact our results of operations. If the price of beef or other food products that we use in our operations significantly increases, particularly in the ~~BPP~~ **Branded Product Program** , and we choose not to pass, or cannot pass, these increases on to our customers, our operating margins will decrease and such decrease in operating margins could have a material adverse effect on our business, results of operations or financial condition ~~. Fluctuations in weather, supply and demand and economic conditions could adversely affect the cost, availability and quality of some of our critical products, including beef and beef trimmings. Our inability to obtain requisite quantities of high- quality ingredients would adversely affect our ability to provide the menu items that are central to our business, and the highly competitive nature of our industry may limit our ability to pass through increased costs to our customers. Continuing increases in the cost of fuel may increase the distribution costs of our prime products thereby increasing the food and paper cost to us and to our franchisees, thus negatively affecting profitability~~ . From time to time, we have sought to lock in the cost of a portion of our beef purchases by entering into various commitments to purchase hot dogs during certain periods in an effort to ensure supply of product at a fixed cost of product. However, we may be unable to enter into similar purchase commitments in the future. In addition, we do not have the ability to effectively hedge ~~all of~~ our beef purchases using futures or forward contracts without incurring undue financial cost and risk. ~~John Morrell & Co we have not experienced significant resistance to our past price increases,future price increases may deter customers from visiting our Company- owned restaurants and franchised restaurants and may adversely affect our restaurant operations.~~ Our licensing revenue and overall profitability is substantially dependent on our agreement with ~~Smithfield Foods,Inc~~ **John Morrell & Co** .and the loss or a significant reduction of this revenue would have a material adverse effect on our financial condition and results of operations.We earned license royalties from ~~Smithfield Foods,Inc~~ **John Morrell & Co** .of approximately $ ~~29~~ **28** , ~~998~~ **970** ,000 in fiscal ~~2023~~ **2022** and approximately $ 28, ~~970~~ **694** ,000 in fiscal ~~2022~~ **2021** representing ~~23~~ **25.2** % and ~~25~~ **37.8** % of total revenues,respectively.As a result of our agreement with ~~Smithfield Foods,Inc~~ **John Morrell & Co** . ~~which expires in 2032~~ ,we expect that most of our license revenues will be earned from ~~Smithfield Foods,Inc~~ **John Morrell & Co** .for the foreseeable future.In addition,the increase in our adjusted EBITDA (a non- GAAP financial measure (see Reconciliation of GAAP and Non- GAAP measures on page ~~44~~ **39** of this report)) from $ **27,225,000 in fiscal 2021 to $** 31,153,000 in fiscal 2022 ~~to $ 36,383,000 in fiscal 2023~~ and income from operations from $ **25,515,000 in fiscal 2021 to $** 29,863,000 in fiscal 2022 ~~to $ 34,445,000 in fiscal 2023~~ was partially attributable to the license royalties earned from ~~Smithfield Foods~~ **John Morrell & Co.While our agreement with John Morrell & Co.expires in 2032** , ~~Inc~~ **John Morrell' s BPP foodservice business is weighted towards one high volume user who has not sold product pursuant to a formal agreement** .Accordingly,in the event that (i) ~~Smithfield Foods,Inc~~ **John Morrell & Co** . **or its customers** ~~experiences~~ **experience** financial difficulties,(ii) there is a disruption or termination of the ~~Smithfield Foods,Inc~~ **John Morrell & Co** .agreement or (iii) there is a significant decrease in our revenue from ~~Smithfield Foods,Inc~~ **John Morrell & Co** .,it would have a material adverse effect on our business,results of operations and financial condition.A significant amount of our Branded Product Program **(" BPP ")** revenue is from a small number of **BPP** accounts.The loss of any one or more of those **BPP** accounts could harm our profitability and operating results.A small number of our **BPP** ~~Branded Product Program~~ customers account for a significant portion of our **BPP** ~~Branded Product Program~~ revenues.Sales to our five largest **BPP** ~~Branded Product Program~~ customers were ~~76~~ **77.6** % and ~~78~~ **70.4** % of our **BPP** ~~Branded Product Program~~ revenues in fiscal ~~2023 and fiscal~~ 2022 **and fiscal 2021** ,respectively.In the event that ~~any one of~~ these **BPP** ~~Branded Product Program~~ customers experience financial difficulties or,upon the expiration of their existing agreements,if applicable,are not willing to do business with us in the future on terms acceptable to **management** ~~the Company~~ ,there could be a material adverse effect on our business,results of operations and financial condition. ~~Smithfield Foods~~ . currently has two manufacturing facilities producing different Nathan' s products and a long- term significant interruption of a primary facility could potentially disrupt our operations. ~~John Morrell & Co~~ **Smithfield Foods, Inc** . currently has two manufacturing facilities producing different Nathan' s products. A temporary closure at either of these plants could potentially cause a temporary disruption to our source of supply, potentially causing some or all of certain shipments to customers to be delayed. A longer- term significant interruption at either of these production facilities, whether as a result of a natural disaster or other causes, could significantly impair our ability to operate our business on a day- to- day basis while ~~John Morrell & Co~~ **Smithfield Foods, Inc** . determines how to make up for any lost production capabilities, during which time we may not be able to secure sufficient alternative sources of supply on acceptable terms, if at all. In addition, a long- term disruption in supply to our customers could cause our customers to determine not to purchase some or all of their hot dogs from us in the future, which in turn would adversely affect our business, results of operations and financial condition. Furthermore, a supply disruption or other events might affect our brand in the eyes of consumers and the retail trade, which damage might negatively impact our overall business in general, which could result in a material adverse effect on our business, results of operations or financial condition. The loss of one or more of our key suppliers could lead to supply disruptions, increased costs and lower operating results. We have historically relied on one supplier for the majority of our hot dogs and another supplier for a majority of our supply of frozen crinkle- cut French fries for our restaurant system. An interruption in the supply of product from either of these suppliers without our obtaining an alternative source of supply on comparable terms could lead to supply disruptions, increased costs and lower operating results. We have an agreement with a secondary hot dog manufacturer that continues to also supply natural casing hot dogs for our restaurant business. In the event that the hot dog or French fry suppliers are unable to fulfill our requirements for any reason, including due to a significant interruption in its manufacturing operations, whether as a result of a natural disaster or for other reasons, such interruption could significantly impair our ability to operate our business on a day- to- day basis. In the event that we are unable to find one or more alternative suppliers of hot dogs or French fries on a timely basis, there could be a disruption in the supply of product to **our** Company- owned restaurants, franchised restaurants and ~~BPP~~ **Branded Product Program** accounts, which would damage our business, our franchisees and our ~~BPP~~ **Branded Product Program** customers and, in turn, negatively impact our financial results. In addition, any gap in supply to retail customers would result in lost **license** royalty ~~payments~~ **income** to us, which could have a significant adverse financial impact on our results of operations. Furthermore, any gap in supply to retail customers may damage our brand in the eyes of consumers and the retail trade, which ~~damage~~ might negatively impact our overall business in general and impair our ability to continue our retail licensing program. Additionally, there is no assurance that any supplemental sources of supply would be capable of meeting our specifications and quality standards on a timely and consistent basis or that the financial terms of such supply arrangement will be as favorable as our present terms with our hot dog or French fry supplier, as the case may be. Any of the foregoing occurrences may cause disruptions in the supply of our hot dog or French fry products, as the case may be, and may damage our franchisees and our ~~BPP~~ **Branded Product Program** customers, which could result in a material adverse effect on our business, results of operations or financial condition. Our earnings and business growth strategy depend in large part on the success of our product licensees and product manufacturers. Our reputation and the reputation of our brand may be harmed by actions taken by our product licensees or product manufacturers that are otherwise outside of our control. A significant portion of our earnings has come from royalties paid by our product licensees, such as ~~John Morrell & Co~~ **Smithfield Foods, Inc** ., Saratoga Food Specialties, Inc., a wholly- owned subsidiary of **Solina** ~~John Morrell & Co.~~ , and Lamb Weston **Holdings** , Inc. Although our agreements with these licensees contain numerous controls and safeguards, and we monitor the operations of our product licensees, our licensees are independent contractors, and their employees are not our employees. Accordingly, we cannot necessarily control the performance of our licensees under their license agreements, including without limitation, the licensee’ s continued best efforts to manufacture our products for retail distribution and our foodservice businesses, to timely deliver the licensed products, to market the licensed products and to assure the quality of the licensed products produced and / or sold by a product licensee. Any shortcoming in the quality, quantity and / or timely delivery of a licensed product is likely to be attributed by consumers to an entire brand’ s reputation, potentially adversely affecting our business, results of operations and financial condition. In addition, a licensee’ s failure to effectively market the licensed products may result in decreased sales, which would adversely affect our business, results of operations and financial condition. Also, to the extent that the terms and conditions of any of these license agreements change or we change any of our product licensees, our business, results of operations and financial condition could be materially affected. The quick- service restaurant business is highly competitive, and that competition could lower revenues, margins and market share. The quick- service restaurant business of the foodservice industry is intensely competitive ~~regarding~~ **with respect to taste preferences,** price, service, location, **brand reputation, advertising and promotional initiatives,** personnel **,** and **the** type and quality of ~~food~~ **menu offerings** . We and our franchisees compete with international, national, regional and local **restaurant chains** ~~retailers primarily through the quality, variety and value perception of food products offered~~ . Other key competitive factors include the number and location of restaurants, quality and speed of service, attractiveness of facilities, effectiveness of ~~advertising~~ **digital** and ~~marketing programs~~ **social media engagement** , and new product development. We anticipate competition will continue to focus on **quality,** convenience and pricing. Many of our competitors have substantially larger marketing budgets, which may provide them with a competitive advantage. Changes in pricing or other marketing strategies by these competitors can have an adverse impact on our sales, earnings and growth. For example, many of those competitors have adopted “ value pricing ” strategies intended to lure customers away from other companies, including our Company. Consequently, these strategies could have the effect of drawing customers away from companies which do not engage in discount pricing and could also negatively impact the operating margins of competitors which attempt to match their competitors’ price reductions. Extensive price discounting in the quick- service restaurant business could have an adverse effect on our financial results. In addition, we and our franchisees compete within the foodservice market and the quick- service restaurant business not only for customers but also for management and hourly employees and qualified franchisees. If we are unable to maintain our competitive position, we could experience downward pressure on prices, lower demand for products, reduced margins, the inability to take advantage of new business opportunities and the loss of market share. ~~Additionally, the COVID- 19 pandemic has also resulted in a disruption of consumer routines, the implementation of employer “ work- from- home ” policies, reduced recreational travel to tourist destinations like Coney Island and changes in consumer behavior, and it is difficult to fully assess the impacts of such developments on our Company- owned restaurants and franchised restaurants as well as customer traffic at venues such as professional sports arenas, amusement parks, shopping malls and movie theaters, or the extent to which any such consumer patterns may continue after the COVID- 19 pandemic has ended.~~ We also face growing competition from food delivery services **including virtual kitchens** , particularly in urbanized areas, and this trend, which ~~has~~ accelerated following the onset of the COVID- 19 pandemic, **may** ~~is expected to~~ continue ~~to increase~~ . Changes in economic, market and other conditions could adversely affect us and our franchisees, and thereby our operating results. The quick- service restaurant business is affected by changes in international, national, regional, and local economic conditions, consumer preferences and spending patterns, demographic trends, consumer perceptions of food safety and health, diet and nutrition, weather, traffic patterns, the type, number and location of competing restaurants, and the effects of war or terrorist activities and any governmental responses thereto. Factors such as inflation, higher costs for each of food, labor, benefits and utilities, the availability and cost of suitable sites, rising insurance rates, state and local regulations and licensing requirements, legal claims, and the availability of an adequate number of qualified management and hourly employees also adversely affect restaurant operations and administrative expenses. Our ability and our franchisees’ ability to finance new restaurant development, to make improvements and additions to existing restaurants, and the acquisition of restaurants from, and sale of restaurants to, franchisees is affected by economic conditions, including interest rates and other government policies impacting land and construction costs and the cost and availability of borrowed funds. Further, we are dependent upon consumer discretionary spending and are subject to changes in or uncertainty regarding macroeconomic conditions in the United States and in other regions of the world. **If the economy experiences a downturn** ~~For~~ - **or** ~~instance, the~~ **there are** ~~Russia- Ukraine conflict could adversely impact, among~~ other ~~things~~ **uncertainties regarding economic prosperity** , ~~consumer confidence,~~ **or other negative** global and local macroeconomic conditions, ~~including financial markets, commodities, energy~~ **consumer spending may be negatively impacted which may adversely affect our sales** and **operating profit** ~~transportation costs, and cause further supply~~

~~chain disruptions~~. Current restaurant locations may become unattractive, and attractive new locations may not be available for a reasonable price, if at all, which may reduce our revenue. The success of any restaurant depends in substantial part on its location. There can be no assurance that current locations will continue to be attractive as demographic patterns change. Neighborhood or economic conditions where restaurants are located could decline in the future, thus resulting in potentially reduced sales in those locations. If we and our franchisees cannot obtain desirable additional and alternative locations at reasonable prices, our results of operations would be adversely affected. Any perceived or real health risks related to the food industry could adversely affect our ability to sell our products. We are subject to risks affecting the food industry generally, including risks posed by the following: food spoilage or food contamination; consumer product liability claims; product tampering; and the potential cost and disruption of a product recall. Our products are susceptible to contamination by disease-producing organisms, or pathogens, such as ~~listeria monocytogenes,~~ salmonella, ~~campylobacter~~ **norovirus** , hepatitis A, trichinosis and generic E. coli. In addition, our beef products are also subject to the risk of contamination from bovine spongiform encephalopathy. Because these pathogens are generally found in the environment, there is a risk that these pathogens could be introduced to our products as a result of improper handling at the manufacturing, processing, foodservice or consumer level. Our suppliers' manufacturing facilities and products, as well as our franchisee and Company- ~~operated~~ **owned** restaurant operations, are subject to extensive laws and regulations relating to health, food preparation, sanitation and safety standards. Difficulties or failures ~~by these companies~~ in obtaining any required licenses or approvals or otherwise complying with such laws and regulations could adversely affect our revenue ~~that is generated from these companies~~. Furthermore, we cannot assure you that compliance with governmental regulations by our suppliers or in connection with restaurant operations will eliminate the risks related to food safety. Events reported in the media, or incidents involving food- borne illnesses or food tampering, whether or not accurate, can cause damage to our brand' s reputation and affect sales and profitability. Reports, whether true or not, of food- borne illnesses (such as e- coli, avian flu, bovine spongiform encephalopathy, hepatitis A, trichinosis or salmonella) and injuries caused by food tampering have in the past severely injured the reputations of participants in the quick- service restaurant business and could in the future affect our business as well. Our brand' s reputation is an important asset to the business; as a result, anything that damages our brand' s reputation could immediately and severely hurt system- wide sales and, accordingly, revenue and profits. If customers become ill from food- borne illnesses or food tampering, we could also be forced to temporarily close some, or all, restaurants. In addition, instances of food- borne illnesses or food tampering, even those occurring solely at the restaurants of competitors, could, by resulting in negative publicity about the restaurant industry, adversely affect system sales on a local, regional or system- wide basis. A decrease in customer traffic as a result of these health concerns or negative publicity, or as a result of a temporary closure of any of our Company- owned restaurants or our franchisees' restaurants, could materially harm our business, results of operations and financial condition. Additionally, we may be subject to liability if the consumption of any of our products causes injury, illness, or death. A significant product liability judgment or a widespread product recall may negatively impact our sales and profitability for a period of time depending on product availability, competitive reaction, and consumer attitudes. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our corporate and brand image. Injury to our brand' s reputation would likely reduce revenue and profits. Negative publicity, including complaints on social media platforms and other internet- based communications, could damage our reputation and harm our guest traffic, and in turn, negatively impact our business, financial condition, results of operations and prospects. There has been a marked increase in the use of social media platforms and ~~similar devices, including blogs, social media websites and~~ other forms of internet- based communications **, including video sharing and instant messaging platforms** that allow individuals to access a broad audience of consumers and other interested persons. ~~Consumers value readily available information concerning goods and services that they have or plan to purchase, and may act on such information without further investigation or authentication.~~ The availability of information on **these** social media platforms **and internet- based communications** is virtually immediate, as is its impact ~~. Many social media platforms immediately publish the content their subscribers and participants can post, often without filters or checks on accuracy of the content posted~~. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning our business and products may be posted on such platforms at any time. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Such platforms could also be used for dissemination of trade secret information, compromising valuable Company assets. The dissemination of information online, regardless of its accuracy, could harm our business, results of operations and financial condition. **The use of social media has become a larger element of our advertising and promotional efforts. These marketing initiatives may not be successful, resulting in expenses incurred without a corresponding increase in sales, increased customer awareness or engagement or brand awareness.** Changing health or dietary preferences may cause consumers to avoid products offered by us in favor of alternative foods. The foodservice industry is affected by consumer preferences and perceptions ~~. Reports of the use of hormones~~, ~~antibiotics~~ **including calories, sodium, carbohydrates** or **fat** ~~pesticides in the production of certain food products may cause consumers to reduce or avoid consumption of such food products~~. If prevailing health or dietary preferences, perceptions and governmental regulation cause consumers to avoid the products we offer in favor of alternative or healthier foods, demand for our products may be reduced and could materially adversely affect our business, results of operations and financial condition. We may not be able to adequately protect our intellectual property, which could decrease the value of our business or the value of our brands and products. The success of our business depends on the continued ability to use existing trademarks, service marks and other components of each of our brands in order to increase brand awareness and further develop branded products. We may not be able to adequately protect our trademarks, and the use of these trademarks may result in liability for trademark infringement, trademark dilution or unfair competition. All of the steps we have taken to protect our intellectual property may not be adequate. We have registered or applied to register many of our trademarks and service marks both in the United States and in foreign countries. ~~Because of~~ **Due to** the differences in foreign trademark laws, our trademark rights may not receive the same degree of protection in foreign countries as they would in the United States. We also cannot assure you that our trademark and service mark applications will be approved. In addition, third parties may oppose our trademark and service mark applications, or otherwise challenge our use of the trademarks or service marks. In the event that our trademarks or service marks are successfully challenged, we could be forced to rebrand our products and services, which could result in loss of brand recognition, and could require us to devote resources towards advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe **upon** our marks, or that we will have adequate resources to enforce our trademarks or service marks. We also license third party franchisees and other licensees to use our trademarks and service marks. We enter into franchise agreements with our franchisees and license agreements with other licensees which govern the use of our trademarks and service marks. Although we make efforts to monitor the use of our trademarks and service marks by our franchisees and other licensees, we cannot assure you that these efforts will be sufficient to ensure that our franchisees and other licensees abide by the terms of the trademark licenses. In the event that our franchisees and licensees fail to do so, our trademark and service mark rights could be diluted. Our earnings and business growth strategy depend in large part on the success of our restaurant franchisees and on new restaurant openings. Our corporate reputation or brand reputation may be harmed by actions taken by restaurant franchisees that are otherwise outside of our control. A ~~significant~~ portion of our earnings comes from royalties, fees and other amounts paid by our restaurant franchisees. The opening and success of franchised restaurants depends on various factors, including the demand for our franchises and the selection of appropriate franchisee candidates, the availability of suitable restaurant sites, the negotiation of acceptable lease or purchase terms for new locations, permitting and regulatory compliance, the ability to meet construction schedules, the availability of financing and the financial and other capabilities of our franchisees and area developers. We cannot assure you that area developers planning the opening of franchised restaurants will have the business abilities or sufficient access to financial resources necessary to open the restaurants required by their agreements. We cannot assure you that franchisees will successfully participate in our strategic initiatives or operate their restaurants in a manner consistent with our concept and standards. Our franchisees are independent contractors, and their employees are not our employees. We provide training and support to, and monitor the operations of, our franchisees, but the quality of their restaurant operations may be diminished by any number of factors beyond our control. Consequently, the franchisees may not successfully operate their restaurants in a manner consistent with our high standards and requirements, and franchisees may not hire and train qualified managers and other restaurant personnel. Any operational shortcoming of a franchised restaurant is likely to be attributed by consumers to an entire brand or our system, thus damaging our corporate or brand reputation, potentially adversely affecting our business, results of operations and financial condition. Growth in our restaurant revenue and earnings is significantly dependent on new restaurant openings. Numerous factors beyond our control may affect restaurant openings. These factors include but are not limited to: our ability to attract new franchisees; the availability of site locations for new restaurants; the ability of potential restaurant owners to obtain financing, which may become more difficult due to current market conditions and ~~operating results~~ **rising interest rates** ; the ability of restaurant owners to hire, train and retain qualified operating personnel; construction and development costs of new restaurants, particularly in highly- competitive markets; the ability of restaurant owners to secure required governmental approvals and permits in a timely manner, or at all; and adverse weather conditions. We cannot assure you that franchisees will renew their franchise agreements or that franchised restaurants will remain open. Closings of franchised restaurants are expected in the ordinary course and may cause our royalty revenues and financial performance to decline. Our principal competitors may have greater influence over their respective restaurant systems than we do because of their significantly higher percentage of company restaurants and / or ownership of franchisee real estate and, as a result, may have a greater ability to implement operational initiatives and business strategies, including their marketing and advertising programs. As our franchisees are independent operators, we have limited influence over their ability to invest in other businesses or incur excessive indebtedness. Some of our franchisees have invested in other businesses, including other restaurant concepts. Such franchisees may use the cash generated by their Nathan’ s restaurants to expand their other businesses or to subsidize losses incurred by such businesses. Additionally, as independent operators, franchisees do not require our consent to incur indebtedness. Consequently, our franchisees have in the past, and may in the future, experience financial distress as a result of over- leveraging. To the extent that our franchisees use the cash from their Nathan’ s restaurants to subsidize their other businesses or experience financial distress, due to over- leveraging, delayed or reduced payments of royalties, advertising fund contributions and rents for properties we lease to them, or otherwise, it could have a material adverse effect on our business, **results of operations and** financial condition ~~, results of operations and prospects~~ . In addition, lenders to our franchisees may be less likely to provide current or prospective franchisees necessary financing on favorable terms, or at all, due to market conditions and operating results. We rely on the performance of major retailers, wholesalers, specialty distributors and mass merchants for the success of our business, and should they perform poorly or give higher priority to other brands or products, our business could be adversely affected. We sell our products to retail outlets and wholesale distributors including, traditional supermarkets, mass merchandisers, warehouse clubs, wholesalers, food service distributors and convenience stores. The replacement by or poor performance of our major wholesalers, retailers or chains or our inability to collect accounts receivable from our customers could materially and adversely affect our **business,** results of operations and financial condition. In addition, our customers offer branded and private label products that compete directly with our products for retail shelf space and consumer purchases. Accordingly, there is a risk that our customers may give higher priority to their own products or to the products of our competitors. In the future, our customers may not continue to purchase our products or provide our products with adequate levels of promotional support. A significant decline in the purchase of our products would have a material adverse effect on our business, results of operations and financial condition. The sophistication and buying power of our customers could have a negative impact on profits. Our customers, such as supermarkets, warehouse clubs, and food distributors, have continued to consolidate, resulting in fewer customers with which to do business. These consolidations and the growth of supercenters have produced large, sophisticated customers with increased buying power and negotiating strength who are more capable of resisting price increases and can demand lower pricing, increased promotional programs, or specialty tailored products. In addition, larger retailers have the scale to develop supply chains that permit them to operate with reduced inventories or to develop and market their own retailer brands. If the larger size of these customers results in additional negotiating strength and / or increased private label or store brand competition, our profitability could decline. Consolidation also increases the risk that adverse changes in our customers' business operations or financial performance will have a corresponding material adverse effect on us. For example, if our customers cannot access sufficient funds or financing, then they may delay, decrease, or cancel purchases of our products, or delay or fail to pay us for previous purchases ~~. We may evaluate acquisitions, joint ventures and other strategic initiatives, any of which could distract management or otherwise have a negative effect on revenue, costs and stock price. Our future success may depend on opportunities to buy or obtain rights to other businesses that could complement, enhance or expand our current business or products or that might otherwise offer growth opportunities. In particular, we may evaluate potential mergers, acquisitions, joint venture investments, strategic initiatives, alliances, vertical integration opportunities and divestitures. We have no commitments, agreements or understandings with respect to any of such transactions. In addition, our ability to engage in these transactions may be impacted by the terms of the Notes. Any attempt by us to engage in these transactions may expose us to various inherent risks, including: ● not accurately assessing the value, future growth potential, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; ● the potential loss of key personnel of an acquired business; ● the ability to achieve projected economic and operating synergies; ● difficulties in successfully integrating, operating, maintaining and managing newly- acquired operations or employees; ● difficulties maintaining uniform standards, controls, procedures and policies; ● unanticipated changes in business and economic conditions affecting an acquired business; ● the possibility of impairment charges if an acquired business performs below expectations; and ● the diversion of management' s attention from the existing business to integrate the operations and personnel of the acquired or combined business or implement the strategic initiative~~ . Our annual and quarterly financial results may fluctuate depending on various factors, many of which are beyond our control, and, if we fail to meet the expectations of investors, our share price may decline. Our sales and operating results can vary from quarter to quarter and year to year depending on various factors, many of which are beyond our control. Certain events and factors may directly and immediately decrease demand for our products. These events and factors include: ● continued recovery from the COVID- 19 pandemic; ● changes in customer demand; ● sales promotions by Nathan' s and its competitors; ● variations in the timing and volume of Nathan' s sales and franchisees' sales; ● changes in the terms of our existing license / supply agreements and / or the replacement of existing licenses or suppliers; ● changes in average same- store sales and customer visits; ● variations in the price, availability and shipping costs of supplies **; ● tax expense, asset impairment charges and other non- operating costs** ; ● seasonal effects on demand for Nathan' s products; ● unexpected slowdowns in new store development efforts; ● changes in competitive and macroeconomic conditions in the United States and in other regions of the world, including the Russia- Ukraine conflict; ● changes in the cost or availability of ingredients or labor **and our inability to offset these higher costs with price increases** ; ● weather and acts of God; and ● changes in the number of franchises sold and ~~in~~ franchise agreement renewals. Our operations are influenced by adverse weather conditions. Weather, which is unpredictable, can impact our sales. Harsh weather conditions that keep customers from dining out result in lost opportunities for our Company- owned and our franchisees' restaurants. A heavy snowstorm or a tropical storm or hurricane in the Northeast can shut down an entire metropolitan area, resulting in a reduction in sales in that area at Company- owned and franchised restaurants. Our fourth quarter includes winter months and historically has a lower level of sales at Company- owned and franchised restaurants. Additionally, our Company- owned restaurants at Coney Island are heavily dependent on favorable weather conditions during the summer season. Rain during the weekends and / or unseasonably cold temperatures will negatively impact the number of patrons going to the Coney Island beach locations. Because a significant portion of our restaurant operating costs is fixed or semi- fixed in nature, the loss of sales during these periods adversely impacts our operating margins, and can result in restaurant operating losses. For these reasons, a quarter- to- quarter comparison may not be a good indication of our performance or how it may perform in the future. Due to the concentration of our restaurants in particular geographic regions, our business results could be impacted by the adverse economic conditions prevailing in those regions regardless of the state of the national economy as a whole. As of March ~~27~~ **26** , ~~2022~~ **2023** , we and our franchisees (including ~~units~~ **locations** operated pursuant to our ~~BMP~~ **Branded Menu Program** ) operated Nathan' s restaurants in ~~18~~ **17** states and ~~12~~ **13** foreign countries. As of March ~~27~~ **26** , ~~2022~~ **2023** , the highest concentration of operating units was in the Northeast, principally in New York and New Jersey. This geographic concentration in the Northeast can cause economic conditions in particular areas of the country to have a disproportionate impact on our overall results of operations. It is possible that adverse economic conditions in states or regions that contain a high concentration of Nathan' s restaurants could have a material adverse impact on our business, results of operations and financial condition. We rely extensively on computer systems, point of sales system and information technology to manage our business. Any disruption in our computer systems, point of sales system or information technology may adversely affect our ability to run our business. We are significantly dependent upon our computer systems, point of sales system and information technology to properly conduct our business. A failure or interruption of computer systems, point of sales systems or information technology could result in the loss of data, business interruptions or delays in business operations. Many of these systems are provided and managed by third parties, and we are reliant on these third- party providers to implement protective measures that ensure the security, availability and integrity of their systems. Despite our considerable efforts ~~and technological resources~~ to secure our computer systems and these third- party systems, security breaches, such as unauthorized access and computer viruses, may occur resulting in system disruptions, shutdowns or unauthorized disclosure of confidential information. Any security breach of our computer systems, and / or these third- party systems may result in adverse publicity, loss of sales and profits, penalties or loss resulting from misappropriation of information. If any of our critical information technology systems were to become unreliable, unavailable, compromised or otherwise fail, and we were unable to recover in a timely manner, we could experience an interruption that could have a material adverse effect on our business, results of operations and financial condition. Cyberattacks and breaches could cause operational disruptions, fraud or theft of sensitive information. Aspects of our operations are reliant upon internet- based activities, such as ordering supplies and back- office functions such as accounting and transaction processing, making payments and accepting credit card payments in our restaurants, as well as at third party online ordering and delivery businesses, processing payroll and other administrative functions, etc. For instance, if we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment- related data is compromised due to a breach or misuse of data, we may be liable for costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types, which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs. We also use third- party vendors. While we select third- party vendors carefully, we do not control their actions. Any problems caused by these third parties, including those resulting from breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, cyberattacks and security breaches at a vendor could adversely affect our ability to deliver products and services to conduct our business. Although we have taken measures to protect our technology systems and infrastructure, including ~~continuously~~ working to upgrade our existing information technology systems and provide employee training around phishing, malware and other cyber risks, there can be no assurance that we will be successful and fully protected against cyber risks and security breaches. A security breach could result in operational disruptions, theft or fraud, or exposure of sensitive information to unauthorized parties. Such events could result in additional costs related to operational inefficiencies, ~~or~~ damages, claims or fines. Catastrophic events may disrupt our business. Unforeseen events, or the prospect of such events, including war, terrorism and other international conflicts, including the Russia- Ukraine conflict, public health issues such as epidemics or pandemics (including, without limitation, as a result of the COVID- 19 pandemic), labor unrest and natural disasters such as earthquakes, hurricanes or other extreme adverse weather and climate conditions, whether occurring in the United States or abroad, could disrupt our operations, disrupt the operations of franchisees, suppliers or customers, or result in political or economic instability. These events could negatively impact consumer spending, thereby reducing demand for our products, or the ability to receive products from suppliers. We do not have insurance policies that insure against certain of these risks. To the extent that we do maintain insurance with respect to some of these risks, our receipt of the proceeds of such policies may be delayed or the proceeds may be insufficient to offset our losses fully. Our international operations are subject to various factors of uncertainty. Our business outside of the United States is subject to a number of additional factors, including international economic and political conditions, differing cultures and consumer preferences, currency regulations and fluctuations, diverse government regulations and tax systems, uncertain or differing interpretations of rights (including intellectual property rights) and obligations in connection with international franchise agreements and the collection of royalties from international franchisees, the availability and cost of land and construction costs, and the availability of appropriate franchisees. In developing markets, we may face risks associated with new and untested laws and judicial systems. Although we believe we have developed the support structure required for international growth, there is no assurance that such growth will occur or that international operations will be profitable. Our business operations and future development could be significantly disrupted if we lose key personnel. The success of our business continues to depend to a significant degree upon the continued contributions of our senior officers and key employees, both individually and as a group. Our future performance will be substantially dependent, in particular, on our ability to retain and motivate our executive officers, for certain of whom we currently have employment agreements in place. The loss of the services of any of our executive officers could have a material adverse effect on our business, financial condition, results of operations and prospects, as ~~well as our ability to satisfy our obligations under the Notes, as~~ we may not be able to find suitable individuals to replace such personnel on a timely basis or without incurring increased costs, or at all. Additionally, our Company- owned restaurants and franchised restaurants are highly service- oriented, and our success depends in part upon the ability to attract, retain and motivate a sufficient number of qualified employees, including franchisee management, restaurant managers and other crew members. The market for qualified employees in the retail food industry is very competitive. We are experiencing and may continue to experience a shortage of labor for positions in our Company- owned restaurants and franchised restaurants, due to the current competitive labor market ~~, and ongoing concerns around COVID- 19~~ . We face risks of litigation and pressure tactics, such as strikes, boycotts and negative publicity from customers, franchisees, suppliers, employees and others, which could divert our financial, and management resources and which may negatively impact our financial condition and results of operations. Class action lawsuits have been filed, and may continue to be filed, against various quick- service restaurants alleging, among other things, that quick- service restaurants have failed to disclose the health risks associated with high- fat foods and that quick- service restaurant marketing practices have targeted children and encouraged obesity. In addition, we face the risk of lawsuits and negative publicity resulting from injuries, including injuries to infants and children, allegedly caused by our products, toys and other promotional items available in our restaurants. In addition, activist groups, including animal rights activists and groups acting on behalf of franchisees, the workers who work for suppliers and others, have in the past, and may in the future, use pressure tactics to generate adverse publicity by alleging, for example, inhumane treatment of animals by our suppliers, poor working conditions or unfair purchasing policies. These groups may be able to coordinate their actions with other groups, threaten strikes or boycotts or enlist the support of well- known persons or organizations in order to increase the pressure on us to achieve their stated aims. In the future, these actions or the threat of these actions may force us to change our business practices or pricing policies, which may have a material adverse effect on our business, results of operations and financial condition. Further, we may be subject to employee, franchisee and other claims in the future based on, among other things, mismanagement of the system, unfair or unequal treatment, discrimination, harassment, wrongful termination and wage, rest break and meal break issues, including those relating to overtime compensation. We have been subject to these types of claims in the past, and if one or more of these claims were to be successful or if there is a significant increase in the number of these claims, our business, results of operations and financial condition could be harmed. Risks Related to Regulatory Matters ~~Recent changes~~ **Changes** to minimum wage rates have increased our labor costs. We must comply with the Fair Labor Standards Act and various federal and state laws governing minimum wages. Increases in the minimum wage and labor regulations have increased our labor costs. **The** ~~New York State passed legislation increasing the~~ minimum hourly wage **in New York state** for fast food workers of restaurant chains with 30 or more locations nationwide **is** ~~which over a period of time increased the minimum wage to~~ $ 15. 00 per hour. **Additionally** ~~The first increase from this law took effect beginning December 31, 2015 and was fully phased in by December 31, 2018 in New York City, where we operate two Company- owned restaurants and by December 31, 2021 throughout the rest of New York State which impacted the labor costs at our two remaining Company- owned restaurants and our franchised restaurants that operate in New York State. In addition~~ , the federal government and a number of other states are evaluating various proposals to increase their respective minimum wage. As minimum wage rates increase, we may need to increase not only the wages of our minimum wage employees but also the wages paid to employees at wage rates that are above minimum wage. **As** ~~Additionally, as~~ a result, we anticipate that our labor costs will continue to increase. If we are unable to pass on these higher costs through price increases, our margins and profitability as well as the profitability and margins of our franchisees will be adversely impacted which could have a material adverse effect on our business, results of operations or financial condition. Our business could be further negatively impacted if the decrease in margins for our franchisees results in the potential loss of new franchisees or the closing of a significant number of existing franchised restaurants. ~~Increases~~ **Changes** in **franchise** ~~labor costs due to new~~ regulations ~~or labor shortages could slow our growth or harm our business. In addition to minimum wage increases, in the past several years, state~~ and ~~local governments have enacted legislation which increased labor costs. For instance, effective November 27, 2017, the City of New York enacted Fair Work Week Legislation. A key component of this legislation is a requirement that fast food restaurants schedule their workers at least two weeks in advance or pay employees between $ 10 to $ 75 per scheduling change, depending on the situation. Due to Nathan' s dependency on weather conditions at our two Coney Island locations during the summer, we are unable to determine the potential impact on our results of operations, which could be material. Continued increases in our labor costs as a result of this or other new legislation could have a material adverse effect on our business, financial condition and results of operations. Moreover, our success depends in part upon our ability and the ability of our franchisees to continue to attract, motivate and retain regional, operational and restaurant general managers with the qualifications to succeed in our industry and the motivation to apply our core service philosophy. If we or our franchisees are unable to continue to recruit and retain sufficiently qualified managers or to motivate our employees to achieve sustained high service levels, our business and our growth could be adversely affected. The COVID- 19 pandemic and the Great Resignation of 2021 have caused additional challenges as companies struggle to find and hire workers as states begin to ease restrictions. As demand for new hires increases, the competition for these employees could require the payment of higher wages that could result in higher labor costs. Changes in franchise regulation~~ laws could impact our ability to obtain or retain licenses or approvals and adversely affect our business, financial condition, results of operations and prospects. We are ~~also~~ subject to federal statutes and regulations, including the rules promulgated by the U. S. Federal Trade Commission, as well as certain state laws governing the offer and sale of franchises. Many state franchise laws impose substantive requirements on franchise agreements, including limitations on non- competition provisions and on provisions concerning the termination or non- renewal of a franchise. Some states require that certain materials be filed for a franchisor to be registered and approved, before franchises can be offered or sold in that state. The failure to obtain or retain licenses or approvals to sell franchises could have a material adverse effect on our business, financial condition, results of operations and prospects. **The FTC is also considering adopting changes to (and potentially bans upon) enforcement of covenants against competition and similar contractual arrangements between a business and its workers; although as announced by the FTC, that proposed regulation would not apply to franchisor- franchisee relationships. However, the FTC has sought comment on whether the pending regulation should apply to the franchisor- franchisee relationship and we cannot predict the form in which it will ultimately be promulgated by the FTC. In the form that the FTC originally proposed, we do not expect the pending non- competition rule to significantly impact our business; however, should the FTC limit enforcement of covenants against competition in franchise relationships, that might have a significant impact on our operations.** We are subject to health, employment, environmental and other government regulations, and failure to comply with existing or future government regulations could expose us to litigation, damage our corporate reputation or the reputation of our brands and lower profits. We and our franchisees are subject to various federal, state and local laws, rules or regulations affecting our businesses. To the extent that the standards imposed by local, state and federal authorities are inconsistent, they can adversely affect popular perceptions of our business and increase our exposure to litigation or governmental investigations or proceedings. We may be unable to manage effectively the impact of new, potential or changing regulations that affect or restrict elements of our business. The successful development and operation of restaurants depends to a significant extent on the selection and acquisition of suitable sites, which are subject to zoning, land use (including the placement of drive- thru windows), environmental (including litter), traffic and other regulations. There can be no assurance that we and our franchisees will not experience material difficulties or failures in obtaining the necessary licenses or approvals for new restaurants which could delay the opening of such restaurants in the future. Restaurant operations are also subject to licensing and regulation by state and local departments relating to health, food preparation, sanitation and safety standards, federal and state labor laws (including applicable minimum wage requirements, overtime, working and safety conditions and citizenship requirements), federal and state laws prohibiting discrimination and other laws regulating the design and operation of facilities ~~, such as the Federal Americans with Disabilities~~

~~Act of 1990~~ . If we fail to comply with any of these laws, we may be subject to governmental action or litigation, and accordingly our reputation could be harmed. Injury to us or our brand' s reputation would, in turn, likely reduce revenue and profits. In addition, difficulties or failures in obtaining any required licenses or approvals could delay or prevent the development or opening of a new restaurant or renovations to existing restaurants, which would adversely affect our revenue. Failure by third- party manufacturers or suppliers of raw materials to comply with food safety, environmental or other regulations may disrupt our supply of certain products and adversely affect our business. We rely on third- party manufacturers to produce our products and on other suppliers to supply raw materials. Such manufacturers and other suppliers, whether in the United States or outside the United States, are subject to a number of regulations, including food safety and environmental regulations. Failure by any of our manufacturers or other suppliers to comply with regulations, or allegations of compliance failure, may disrupt their operations. Disruption of the operations of a manufacturer or other suppliers could disrupt our supply of product or raw materials, which could have an adverse effect on our business, results of operations, and financial condition. Additionally, actions we may take to mitigate the impact of any such disruption or potential disruption, including increasing inventory in anticipation of a potential production or supply interruption, may adversely affect our business, results of operations, and financial condition. Supply chain risk could increase our costs and limit the availability of ingredients and supplies that are critical to our operations. The markets for some of our ingredients, such as beef and beef trimmings are particularly volatile due to factors beyond our control such as limited sources, seasonal shifts, climate conditions and industry demand, including as a result of animal disease outbreaks, food safety concerns, product recalls and government regulation. In addition, we have a limited number of suppliers and distributors. We remain in regular contact with our major suppliers and to date we have not experienced significant disruptions in our supply chain; however, **beginning** in the latter part of fiscal 2022 **and continuing during fiscal 2023** costs for certain supplies and ingredients, such as packaging, beef and beef trimmings, and freight, increased materially and rapidly, which combined with inflationary pressures could continue. Such factors may have a material adverse effect on our business, results of operations and financial condition. We are subject to many federal, state and local laws, as well as statutory and regulatory requirements. Failure to comply with, or changes in these laws or requirements, could have an adverse impact on our business. The National Labor Relations Board (" NLRB ") **is considering, and has** previously considered whether to hold certain franchisors responsible as a " joint employer " of its franchisees' staff under certain fact patterns. ~~McDonald' s USA LLC and their franchisees were the subject of administrative litigation with the NLRB. That matter was resolved through a settlement in 2019, and in 2020, the NLRB issued a regulation that changed the standard for determining when a party such as Nathan' s would be deemed a " joint employer " under the National Labor Relations Act. The new NLRB standard would make it less likely that the NLRB would initiate an action against a company such as us. However, the new NLRB standard may be revised or revoked.~~ There is also the possibility of administrative action from other agencies, state governments, and in private lawsuits that may allege that a franchisor and its franchisee " jointly employ " the franchisee' s staff, that the franchisor is responsible for the franchisees' staff (under theories of apparent agency, ostensible agency, or actual agency), or otherwise. **If** ~~In 2021 and beyond, if~~ the United States Department of Labor and agencies such as ~~OSHA~~ **the Occupational Safety and Health Administration** and the NLRB take a more aggressive position on defining and enforcing joint employer status, or if Congress passes the proposed " PRO Act, " and it is signed into law, that might change the status quo and expose Nathan' s to the possibility of being deemed a " joint employer " of our franchisees' staff together with our franchisees and possibly to some franchisees being reclassified as " employees. " Among other things, a determination that Nathan' s and its franchisees are joint employers of one or more franchisees' staff may make it easier to organize our franchisees' staff into unions, provide the staff and their union representatives with bargaining power to request that we have our franchisees raise wages, and make it more expensive and less profitable to operate a Nathan' s franchised restaurant. A decrease in profitability or the closing of a significant number of franchised restaurants could significantly impact our business (as well as our franchisees' businesses), and we may also be impacted if the NLRB or a private party, successfully brought an action alleging that we are a " joint employer " of our franchisees' staff, all of which might impact our results of operations and financial condition. **Additionally** ~~In September 2019~~ , ~~California adopted a~~ **state and local** ~~law~~ **laws** ~~known as " AB- 5, " which was ostensibly intended to address the relationship between " gig " workers and companies~~ such as ~~" Uber "~~ **the recently passed Fast Food Accountability** and ~~" Lyft. " By ballot initiative~~ **Standards (FAST) Recovery Act (AB257)** in ~~November 2020,~~ California **may require wage increases** ~~voters adopted " Proposition 22 " to exempt companies such as Uber~~ and ~~Lyft (~~ **working hour** and **working condition standards that may increase our costs without corresponding benefits. Although implementation and enforcement** ~~others) from California Assembly Bill 5 (" AB- 5 "); however, the remaining language~~ of ~~AB - 5~~ **the FAST Act** is ~~broad enough to raise the possibility~~ **stayed pending a referendum in 2024, it is possible** that it **will pass,** ~~might be applied to the relationship between a franchisor such as Nathan' s~~ and ~~its California franchisees. If AB- 5 were applied to the franchisor- franchisee relationship~~ that ~~Nathan' s enjoys with its franchisees, that might significantly impact the~~ **other jurisdictions may pass** ~~structure and financial viability of any California franchised or licensed locations. Legislation~~ similar **laws** ~~to AB- 5 has been introduced in other states and may also impact our results of operations and financial condition~~ . California also adopted a new law to address data privacy. The California Consumer Privacy Act (" CCPA ") took effect at the beginning of 2020, and imposes stringent data security standards, which might apply more broadly than only within the borders of that state (for example, if a California resident buys products or has them shipped into the state and pays with a credit or debit card). ~~Both~~ **Other states, including Connecticut, Colorado, Illinois,** New York **, Utah** and Virginia have since adopted ~~similar requirements,~~ **laws that apply to data and other biometric technology** which ~~take effect in 2022~~ **may be broadly interpreted** . It **remains** ~~is still~~ uncertain whether the CCPA and the laws adopted in **other states** ~~New York and Virginia~~ will have a material impact on our operations or that of our franchisees. Our business is subject to an increasing focus on Environmental, Social, and Governance (ESG) matters. In recent years, there has been an increasing focus by stakeholders – including employees, franchisees, customers, suppliers, governmental and non- governmental organizations, and investors – on ESG matters. A failure, whether real or perceived, to address ESG could adversely affect our business, including by heightening other risks disclosed in this Item 1A, " Risk Factors **.** " **In** ~~, such as those~~ -- **the restaurant industry** ~~related to consumer behavior~~ , ~~consumer perceptions of our~~ **concerns have been expressed regarding energy management, water management, food** ~~brand~~ -- **and packaging waste management** ~~, labor availability and costs~~ , supply chain **management** ~~interruptions, commodity costs,~~ and **labor practices** ~~legal and regulatory complexity~~ . We may also face increased pressure from stakeholders to provide expanded disclosure and establish additional commitments, targets or goals, and take actions to meet them, which could expose us to additional market, operational, execution and reputational costs and risks. Changes in tax laws and unfavorable resolution of tax contingencies could adversely affect our tax expense. Our future effective tax rates could be adversely affected by changes in tax laws, both domestically and internationally. From time to time, the United States Congress and foreign, state and local governments consider legislation that could increase our effective tax rates. If changes to applicable tax laws are enacted, our results of operations could be negatively impacted. Our tax returns and positions (including positions regarding jurisdictional authority of foreign governments to impose tax) are subject to review and audit by federal, state, local and international taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby negatively impacting our results of operations. Risks Related to Organizational Structure Our certificate of incorporation and by- laws and other corporate documents include anti- takeover provisions which may deter or prevent a takeover attempt. Some provisions of our certificate of incorporation, by- laws, other corporate documents, including the terms and condition of our Notes, and provisions of Delaware law may discourage takeover attempts and hinder a merger, tender offer or proxy contest targeting us, including transactions in which stockholders might receive a premium for their shares. This may limit the ability of stockholders to approve a transaction that they may think is in their best interest. The corporate documents include: ● Employment Contracts. The employment agreements between us and each of Howard M. Lorber and Eric Gatoff provide that in the event there is a change in control of Nathan' s, the employee has the option, exercisable within one year for each of Messrs. Lorber and Gatoff, of his becoming aware of the change in control, to terminate his employment agreement. Upon such termination, Mr. Gatoff has the right to receive a lump sum payment equal to his salary and annual bonus for a one- year period, and Mr. Lorber has the right to receive a lump sum payment equal to the greater of (i) his salary and annual bonuses for the remainder of the employment term or (ii) 2. 99 times his salary and annual bonus plus the difference between the exercise price of any exercisable options having an exercise price of less than the then current market price of our common stock and such current market price. Mr. Lorber will also receive a tax gross up payment to cover any excise tax. While we have approved a quarterly dividend policy, there can be no assurance as to the declaration of future dividends or the amount of such ~~dividend~~ **dividends** . Our declaration and payment of future cash dividends are subject to the final determination by our Board of Directors that (i) the dividend will be made in compliance with laws applicable to the declaration and payment of cash dividends, including Section 170 of the Delaware General Business Corporation Law, (ii) the dividend complies with the terms of the Indenture, and (iii) the payment of dividends remains in our best interests, which determination will be based on a number of factors, including the impact of changing laws and regulations, economic conditions, our results of operations and / or financial condition, capital resources, the ability to satisfy financial covenants and other factors considered relevant by the Board of Directors. There can be no assurance our Board of Directors will approve the payment of cash dividends in the future or the amount of a cash dividend. Any discontinuance of the payment of a dividend or changes to the amount of a dividend compared to prior dividends could cause our stock price to decline. Risks Related to the Notes Our substantial indebtedness makes us more sensitive to adverse economic conditions, may limit our ability to plan for or respond to significant changes in our business, and requires a significant amount of cash to service our debt payment obligations that we may be unable to generate or obtain. As of March ~~27~~ **26** , ~~2022~~ **2023** , we had total outstanding indebtedness of $ ~~110~~ **80** , 000, 000 which is due in 2025. Subject to the terms of any future agreements, we and our subsidiaries may be able to incur additional indebtedness in the future, which would increase the risks related to our high level of indebtedness. If new debt is added to our existing debt levels, the related risks that we face would intensify and we may not be able to meet all our debt obligations, including the repayment of the Notes. Specifically, our high level of indebtedness could have important potential consequences, including, but not limited to: ● increasing our vulnerability to, and reducing our flexibility to plan for and respond to, adverse economic and industry conditions and changes in our business and the competitive environment ~~, including ongoing adverse economic conditions arising from the COVID- 19 pandemic~~ ; ● make it more difficult for us to satisfy our other financial obligations, including our obligations relating to the Notes; ● requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, dividends, share repurchases or other corporate purposes; ● make it more difficult for us to satisfy our obligations to the holders of the Notes, resulting in possible defaults on and acceleration of such indebtedness; ● limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; ● place us at a competitive disadvantage compared to our competitors that have less debt; ● increasing our vulnerability to a downgrade of our credit rating, which could adversely affect our cost of funds, liquidity, value and trading of the Notes and access to capital markets; ● restricting us from making strategic acquisitions or causing us to make non- strategic divestitures; ● limit our ability to borrow additional funds or increase our cost of borrowing; ● placing us at a disadvantage compared to other less leveraged competitors or competitors with comparable debt at more favorable interest rates; ● increasing our exposure to the risk of increased interest rates insofar as current and future borrowings are subject to variable rates of interest; ● making it more difficult for us to repay, refinance or satisfy our obligations relating to the Notes; ● limiting our ability to borrow additional funds in the future and increasing the cost of any such borrowing; ● imposing restrictive covenants on our operations as the result of the terms of our indebtedness, which, if not complied with, could result in an event of default, which in turn, if not cured or waived, could result in the acceleration of our debts, including the Notes. There is no assurance that we will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other liquidity needs.

If our business does not generate sufficient cash flow from operations or if future borrowings are not available to us in amounts sufficient to pay our indebtedness or to fund other liquidity needs, our financial condition and results of operations may be adversely affected. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. There is no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have a material adverse effect on our business and financial condition. Item 1B. Unresolved Staff Comments.