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 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number: 0-18590

good times restaurants inc.

Good Times Restaurants Inc.
(Exact Name of Registrant as Specified in Its Charter)

NEVADA	84-1133368
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

651 CORPORATE CIRCLE, GOLDEN, CO 80401
(Address of Principal Executive Offices, Including Zip Code)
(303) 384-1400
(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 $.001 par value	GTIM	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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 the 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, indicated 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 27, 2026, there were 10,557,896 shares of the Registrant's common stock, par value $0.001 per share, issued and outstanding.

Form 10-Q
Quarter Ended December 30, 2025

PART I. - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Good Times Restaurants Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)
(*In thousands, except share and per share data*)

	December 30, 2025	September 30, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,316	$ 2,605
Inventories	1,378	1,388
Receivables	1,148	795
Prepaid expenses and other	888	466
Total current assets	6,730	5,254
PROPERTY AND EQUIPMENT		
Land and land improvements	1,113	1,113
Buildings	4,841	4,841
Leasehold improvements	37,368	38,194
Fixtures and equipment	28,843	29,781
Total property and equipment	72,165	73,929
Less accumulated depreciation and amortization	(51,063)	(52,061)
Total net property and equipment	21,102	21,868
OTHER ASSETS		
Operating lease right-of-use assets, net	31,704	33,618
Deferred tax assets, net	12,980	13,031
Deposits and other assets	383	423
Trademarks	3,900	3,900
Goodwill	5,713	5,713
Total other assets	54,680	56,685
TOTAL ASSETS	$ 82,512	$ 83,807
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 32	$ 32
Accounts payable	3,049	2,605
Operating lease liabilities, current	6,316	6,267
Other accrued liabilities	5,580	5,474
Total current liabilities	14,977	14,378
LONG-TERM LIABILITIES		
Maturities of long-term debt, net of current portion	1,802	2,310
Operating lease liabilities, net of current portion	31,636	33,225
Deferred and other liabilities	80	83
Total long-term liabilities	33,518	35,618
SHAREHOLDERS' EQUITY:		
Good Times Restaurants Inc. shareholders' equity:		
Preferred stock, $.01 par value; 5,000,000 shares authorized, no shares issued and outstanding as of December 30, 2025 and September 30, 2025	-	-
Common stock, $.001 par value; 50,000,000 shares authorized; 12,985,821 issued; 10,557,896 and 10,549,508 shares outstanding as of December 30, 2025 and September 30, 2025, respectively	13	13
Capital contributed in excess of par value	56,897	56,889
Treasury stock, at cost; 2,427,925 shares as of December 30, 2025 and September 30, 2025	(7,246)	(7,246)
Accumulated deficit	(16,417)	(16,598)
Total Good Times Restaurants Inc. shareholders' equity	33,247	33,058
Non-controlling interests	770	753
Total shareholders' equity	34,017	33,811
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 82,512	$ 83,807

See accompanying notes to condensed consolidated financial statements (unaudited)

Good Times Restaurants Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
(In thousands except share and per share data)

	Quarter Ended December 30, 2025 (13 Weeks)	Quarter Ended December 31, 2024 (14 Weeks)
NET REVENUES		
Restaurant sales	$ 32,373	$ 35,965
Franchise and other revenues	333	368
Total net revenues	32,706	36,333
RESTAURANT OPERATING COSTS		
Food and packaging costs	9,841	11,363
Payroll and other employee benefit costs	11,210	12,783
Restaurant occupancy costs	2,509	2,683
Other restaurant operating costs	4,562	4,741
Preopening costs	-	8
Depreciation and amortization	940	1,018
Total restaurant operating costs	29,062	32,596
General and administrative costs	2,055	2,588
Advertising costs	1,275	1,129
Loss (gain) on restaurant asset disposals	14	(57)
Total costs and expenses	32,406	36,256
INCOME FROM OPERATIONS	300	77
OTHER (EXPENSE) INCOME		
Interest expense, net	(51)	(46)
Other income	-	140
Total other (expense) income	(51)	94
NET INCOME BEFORE INCOME TAXES	249	171
Provision for income taxes	(51)	3
NET INCOME	$ 198	$ 174
Income attributable to non-controlling interests	(17)	(10)
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ 181	$ 164
NET INCOME PER SHARE, ATTRIBUTABLE TO COMMON SHAREHOLDERS		
Basic	$ .02	$ .02
Diluted	$ .02	$ .02
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	10,554,117	10,682,632
Diluted	10,650,117	10,816,596

See accompanying notes to condensed consolidated financial statements (unaudited)

Good Times Restaurants Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity (Unaudited)
For the fiscal quarters ending December 30, 2025 and December 31, 2024
(*In thousands, except share and per share data*)

	Treasury Stock, at cost		Common Stock					
	Shares	Amount	Issued Shares	Par Value	Capital Contributed in Excess of Par Value	Non-Controlling Interest In Partnerships	Accumulated Deficit	Total
BALANCES, September 24, 2024	2,265,066	$ (6,855)	10,712,367	$ 13	$ 56,835	$ 717	$ (17,622)	$ 33,088
Stock-based compensation cost	-	-	-	-	35	-	-	35
Repurchases of common stock	59,125	(164)	(59,125)					(164)
Income attributable to non-controlling interests	-	-	-	-	-	10	-	10
Distributions to unrelated limited partners	-	-	-	-	-	(42)	-	(42)
Net income attributable to Good Times Restaurants Inc and comprehensive income	-	-	-	-	-	-	164	164
BALANCES, December 31, 2024	2,324,191	$ (7,019)	10,653,242	$ 13	$ 56,870	$ 685	$ (17,458)	$ 33,091
BALANCES, September 30, 2025	2,427,925	$ (7,246)	10,549,508	$ 13	$ 56,889	$ 753	$ (16,598)	$ 33,811
Stock-based compensation cost	-	-	-	-	23	-	-	23
Restricted stock unit vesting	-	-	8,388		(15)			(15)
Income attributable to non-controlling interests	-	-	-	-	-	17	-	17
Net income attributable to Good Times Restaurants Inc and comprehensive income	-	-	-	-	-	-	181	181
BALANCES, December 30, 2025	2,427,925	$ (7,246)	10,557,896	$ 13	$ 56,897	$ 770	$ (16,417)	$ 34,017

See accompanying notes to condensed consolidated financial statements (unaudited)

Good Times Restaurants Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Fiscal Year to Date	
	December 30, 2025 (13 Weeks)	December 31, 2024 (14 Weeks)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 198	$ 174
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	966	1,042
Net change in ROU assets and operating lease liabilities	374	(762)
Recognition of deferred gain on sale of restaurant building	(3)	(5)
Loss (gain) on asset disposals	15	(47)
Stock-based compensation expense	23	35
Provision for income taxes	51	(3)
Changes in operating assets and liabilities:		
Receivables and prepaids	(775)	(894)
Inventories	10	60
Deposits and other assets	31	(134)
Accounts payable	425	(387)
Accrued and other liabilities	106	403
Net cash provided by (used in) operating activities	1,421	(518)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for the purchase of property and equipment	(189)	(1,416)
Acquisition of restaurants from franchisees, net of cash acquired	-	(504)
Proceeds from the sale of fixed assets	2	74
Net cash used in investing activities	(187)	(1,846)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from long-term debt	500	1,750
Payments on long-term debt	(1,008)	(10)
Repurchases of common stock	-	(164)
Restricted stock unit vesting	(15)	-
Distributions to non-controlling interests	-	(42)
Net cash (used in) provided by financing activities	(523)	1,534
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	711	(830)
CASH AND CASH EQUIVALENTS, beginning of period	2,605	3,853
CASH AND CASH EQUIVALENTS, end of period	$ 3,316	$ 3,023
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	$ 4	$ 59
Change in accounts payable attributable to the purchase of property and equipment	$ (19)	$ 52

See accompanying notes to condensed consolidated financial statements (unaudited)

GOOD TIMES RESTAURANTS INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Tabular dollar amounts in thousands, except share and per share data)

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Good Times Restaurants Inc. (the "Company") and its wholly owned subsidiaries as well as one partnership in which the Company is the general partner. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company owns a 50% interest in a limited partnership which owns six Good Times restaurants, is the sole general partner, and receives a management fee from the partnership. Because the Company exercises complete management control over all decisions for the partnership, except for certain veto rights, the financial statements of the partnership are consolidated into the Company's consolidated financial statements.

The Company operates and licenses full-service restaurants under the brand *Bad Daddy's Burger Bar* ("Bad Daddy's") that are primarily located in Colorado and in the Southeast region of the United States.

The Company operates and franchises drive-thru fast-food hamburger restaurants under the brand *Good Times Burgers & Frozen Custard* ("Good Times"), all of which are located in Colorado and Wyoming.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles and practices of the United States of America ("GAAP") for interim financial information. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all of the normal recurring adjustments necessary to present fairly the financial position of the Company as of December 30, 2025 and the results of its operations and its cash flows for the fiscal quarters ended December 30, 2025 and December 31, 2024. Operating results for the fiscal quarter ended December 30, 2025 are not necessarily indicative of the results that may be expected for the year ending September 29, 2026. The condensed consolidated balance sheet as of December 30, 2025 is derived from the audited financial statements but does not include all disclosures required by generally accepted accounting principles. As a result, these condensed consolidated financial statements should be read in conjunction with the Company's Form 10-K for the fiscal year ended September 30, 2025.

Fiscal Year – The Company's fiscal year is a 52/53-week year ending on the last Tuesday of September. In a 52-week fiscal year, each of the Company's quarterly periods consist of 13 weeks. The additional week in a 53-week fiscal year is added to the first quarter, making such quarter consist of 14 weeks. Fiscal 2026 contains 52 weeks and the quarter ended December 30, 2025 consisted of 13 weeks; fiscal 2025 contains 53 weeks and the quarter ended December 31, 2024 consisted of 14 weeks.

Reclassification – Certain prior year balances have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on the net income.

Advertising Costs – The company utilizes Advertising Funds to administer certain advertising programs for both the Bad Daddy's and Good Times brands that benefit both us and our franchisees. We and our franchisees are required to contribute a percentage of gross sales to the fund. The contributions to these funds are designated and segregated for advertising. We consolidate the Advertising Funds into our financial statements whereby contributions from franchisees, when due to the respective Advertising Fund upon the generation of sales by a franchisee restaurant, are recorded and included as a component of franchise revenues. Contributions to the Advertising Funds from our franchisees were $16,000 and $22,000 for the quarters ended December 30, 2025 and December 31, 2024, respectively.

Receivables – Our receivables typically consist of royalties and other fees due to us from independent franchisees of our brands as well as product rebates and other incentives due to us under agreements with our food and beverage vendors, payments due from third party delivery and online ordering partners, and payments due to us for sales of gift cards to third party retailers.

Receivables consist of the following as of:

	December 30, 2025	September 30, 2025
Vendor rebates and incentives	$ 392	$ 309
Third party delivery partners	320	291
Franchise and other	142	131
Third party retailers	294	64
Total	$ 1,148	$ 795

Note 2. Recent Accounting Pronouncements

ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures was issued December 2023 and is effective for fiscal years beginning after December 15, 2024. It is to be applied prospectively. However, retrospective application is permitted. The Company expects to implement ASU 2023-09 prospectively in fiscal year 2026 and does not expect that it will have a material effect on the Company's consolidated financial statements.

ASU 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses was issued November 2024 and is effective for fiscal years beginning after December 15, 2026 and interim periods beginning after December 17, 2027. It may be applied either prospectively or retrospectively and early implementation is allowed. The Company is assessing the timing and method of implementation of this accounting pronouncement but does not expect that it will have a material effect on the Company's consolidated financial statements.

The Company reviewed other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

Note 3. Revenue

Revenue Recognition. Revenues consist primarily of sales from restaurant operations, which includes third-party delivery sales, and franchise revenue, which includes franchisee contributions to advertising funds. The Company recognizes revenue, pursuant to ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, when it satisfies a performance obligation by transferring control over a product or service to a customer, typically a restaurant customer or a franchisee/licensee.

The Company recognizes revenue from restaurant sales, including third-party delivery sales, when our performance obligation, namely the provision of food and beverage and the associated customer service, is satisfied.

The Company sells gift cards to customers and recognizes revenue from gift cards primarily in the form of restaurant revenue. Gift card breakage, which is recognized when the likelihood of a gift card being redeemed is remote, is determined based upon the Company's historic redemption patterns, and has historically been immaterial to our overall financial statements, and breakage for cards sold under the Good Times brand has continued to be so. During the first quarter of fiscal 2022, the Company sold Bad Daddy's gift cards with significant aggregate value through third-party retail partners, many of which were unredeemed as of December 30, 2025 and for which breakage was recognized during the quarter ended December 30, 2025 based upon the Company's policy for breakage recognition. Breakage in the amount of $221,000 and $226,000 was included in *Franchise and other revenues* in the fiscal quarter ended December 30, 2025 and December 31, 2024, respectively.

The Company operates a loyalty program known as GT Rewards. With each purchase, GT Rewards members earn loyalty points that can be redeemed in the future for free products. Activity related to the reward program is immaterial to the Company's financial statements for the periods ended December 30, 2025 and December 31, 2024.

Revenues we receive from our franchise and license agreements include sales-based royalties, and from our franchise agreements also may include advertising fund contributions, area development fees, and franchisee fees. We recognize sales-based royalties from franchisees and licensees according to the amounts due calculated from the sales occurring during the relevant accounting period. We similarly recognize Advertising Fund contributions from franchisees according to the amounts due as calculated from the sales occurring during the relevant accounting period. The Company also provides its franchisees with services associated with opening new restaurants and operating them under franchise and development agreements in exchange for area development and franchise fees. The Company would capitalize these fees upon receipt from the franchisee and then would amortize those over the contracted franchise term as the services comprising the performance obligations are satisfied. We have not received material development or franchise fees in the periods presented, and the primary performance obligations under existing franchise and development agreements have been satisfied prior to the earliest period presented in our financial statements.

Note 4. Prepaid expense and other current assets

Prepaid expenses and other current assets consist of the following as of:

	December 30, 2025	September 30, 2025
Prepaid insurance	$ 555	$ -
Prepaid software licenses and maintenance contracts	166	160
Prepaid common area rental expenses	10	159
Prepaid licenses and permits	54	50
Other	103	97
Total	$ 888	$ 466

Note 5. Goodwill and Intangible Assets

The following table presents goodwill and intangible assets as of December 30, 2025 and September 30, 2025 (in thousands):

	December 30, 2025			September 30, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangible assets:						
Trademarks	$ 3,900	$ -	$ 3,900	$ 3,900	$ -	$ 3,900
Goodwill	$ 5,713	$ -	$ 5,713	$ 5,713	$ -	$ 5,713

There were no impairments to goodwill or intangible assets in the periods presented in the above table.

Note 6. Other Accrued Liabilities

Other accrued liabilities consist of the following as of:

	December 30, 2025	September 30, 2025
Wages and other employee benefits	$ 1,792	$ 2,085
Taxes, other than income taxes	1,552	1,400
Gift card liability, net of breakage	1,336	1,096
General expense accrual and other	900	893
Total	$ 5,580	$ 5,474

Note 7. Notes Payable and Long-Term Debt

Cadence Credit Facility. The Company and its wholly owned subsidiaries (the "Subsidiaries") maintain an amended and restated credit agreement with Cadence Bank ("Cadence"). Pursuant to the credit agreement, as amended to date, Cadence agreed to loan the Company up to $8,000,000, with a maturity date of April 20, 2028 (the "Cadence Credit Facility"). The Cadence Credit Facility amended and restated the Company's prior credit facility with Cadence in its entirety. The Cadence Credit Facility accrues commitment fees on the daily unused balance of the facility at a rate of 0.25%. The loans may from time to time consist of a mixture of SOFR Rate Loans and Base Rate Loans with differing interest rates based upon varying additions to the Federal Funds Rate, the Cadence prime rate or Term SOFR. Each of the Subsidiaries are guarantors of the Cadence Credit Facility.

Proceeds from the Cadence Credit Facility, if and when drawn, may be used (i) to fund new restaurant development, (ii) to finance the buyout of non-controlling partners in certain restaurants, (iii) to finance the redemption, purchase or other acquisition of equity interests in the Company and (iv) for working capital and other general corporate purposes.

The Cadence Credit Facility includes customary affirmative and negative covenants and events of default. The Cadence Credit Facility also requires the Company to maintain various financial condition ratios, including minimum liquidity, an amended maximum leverage ratio and an amended minimum fixed charge coverage ratio. In addition, to the extent the aggregate outstanding balance under the revolver under the Cadence Credit Facility exceeds $4.0 million, the Company is required to meet a new specified leverage ratio, on a pro forma basis, before making further borrowings as well as certain restricted payments, investments and growth capital expenditures. As of the date of filing of this report, the Company was in compliance with each of these covenants under the Cadence Credit Facility.

As of December 30, 2025, the weighted average interest rate applicable to borrowings under the Cadence Credit Facility was 7.15%.

As a result of entering into the Cadence Credit Facility and the various amendments, the Company paid loan origination costs including professional fees of approximately $324,000 and is amortizing these costs over the term of the credit agreement. As of December 30, 2025, the unamortized balance of these fees was $84,000.

In connection with the Cadence Credit Facility, the Company and the Subsidiaries entered into an Amended and Restated Security and Pledge Agreement (the "Security Agreement") with Cadence. Under the Security Agreement, the Cadence Credit Facility is secured by a first priority security interest in substantially all the assets of the Company and the Subsidiaries.

As of December 30, 2025, there were $1,500,000 of borrowings against the facility, all of which is due during the fiscal year ending September 2028 and is classified as a long-term liability in the accompanying balance sheet. Availability of the Cadence Credit Facility for borrowings is reduced by the outstanding face value of any letters of credit issued under the facility. As of December 30, 2025, there were approximately $10,000 in outstanding letters of credit issued under the facility, and approximately $6,490,000 of committed funds available.

Parker Promissory Note. Good Times Drive Thru, Inc., a wholly owned subsidiary of the Company, is the maker of an unsecured promissory note in connection with the purchase of the previously franchised Good Times Burgers and Frozen Custard restaurant located in the Denver suburb of Parker, Colorado. JGN Management, Inc., the former franchisee, is the holder of the note. The Parker Promissory Note fully amortizes over its original ten-year life maturing on June 1, 2034, carries an interest rate of 5.00% and is, in all respects, subordinate to the Cadence Credit Facility. As of December 30, 2025, the outstanding principal balance on the Parker Promissory Note was $334,000. Annual principal maturities over the next five years are approximately $35,000 each year.

Total interest expense on notes payable was $46,000 and $44,000 for the quarters ended December 30, 2025 and December 31, 2024, respectively.

Note 8. Earnings per Common Share

Our basic earnings per share calculation is computed based on the weighted-average number of common shares outstanding. Our diluted earnings per share calculation is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued. Potentially dilutive securities for this calculation consist of in-the-money outstanding stock options, restricted stock units and warrants (which were assumed to have been exercised at the average market price of the common shares during the reporting period). The treasury stock method is used to measure the dilutive impact of in-the-money stock options.

The following table reconciles basic weighted-average shares outstanding to diluted weighted-average shares outstanding:

	Quarter Ended	
	December 30, 2025	**December 31, 2024**
Weighted-average shares outstanding basic	10,554,117	10,682,632
Effect of potentially dilutive securities:		
Stock options	-	14,714
Restricted stock units	96,000	119,250
Weighted-average shares outstanding diluted	10,650,117	10,816,596
Excluded from diluted weighted-average shares outstanding:		
Antidilutive	422,913	343,216

Note 9. Contingent Liabilities and Liquidity

There may be various claims in process, matters in litigation, and other contingencies brought against the Company by employees, vendors, customers, franchisees, or other parties. Evaluating these contingencies is a complex process that may involve substantial judgment on the potential outcome of such matters, and the ultimate outcome of such contingencies may differ from our current analysis. We regularly review the adequacy of accruals and disclosures related to such contingent liabilities in consultation with legal counsel. While it is not possible to predict the outcome of these claims with certainty, it is management's opinion that any reasonably possible losses associated with such contingencies have been adequately accrued or would be immaterial to our financial statements.

Note 10. Leases

The Company determines if a contract contains a lease at inception. The Company's material long-term operating lease agreements are for the land and buildings for our restaurants as well as our corporate office. The initial lease terms range from 10 years to 20 years, most of which include renewal options of 10 to 15 years.

Components of operating lease costs are as follows for the fiscal quarters ended December 30, 2025 and December 31, 2024:

Lease cost	**Classification**	**December 30, 2025**	**December 31, 2024**
Operating lease cost	Occupancy, Other restaurant operating costs and General and administrative expenses, net	$ 1,836	$ 1,999
Variable lease cost	Occupancy	3	12
Sublease income	Occupancy	(123)	(126)
		$ 1,716	$ 1,885

Weighted average lease term and discount rate are as follows:

	December 30, 2025	**December 31, 2024**
Weighted average remaining lease term (in years)	6.48	7.18
Weighted average discount rate	5.4%	5.3%

Supplemental cash flow disclosures:

	December 30, 2025	**December 31, 2024**
Cash paid for operating lease liabilities	$ 1,984	$ 2,010
Non-cash operating lease assets obtained in exchange for operating lease liabilities	$ -	$ 761

Future minimum rent payments for our operating leases as of December 30, 2025 are as follows:

	Total
One Year	$ 8,173
Two Years	7,912
Three Years	6,882
Four Years	5,993
Five Years	4,991
Thereafter	11,203
Total minimum lease payments	45,154
Less: imputed interest	(7,202)
Present value of lease liabilities	$ 37,952

The above future minimum rental amounts exclude the amortization of deferred lease incentives, renewal options that are not reasonably assured of renewal, and contingent rent. The Company generally has escalating rents over the term of the leases and records rent expense on a straight-line basis.

Note 11. Impairment of Long-Lived Assets and Goodwill

Long-Lived Assets. We review our long-lived assets including land, property, equipment and lease right-of-use assets for impairment when there are factors that indicate that the carrying amount of an asset may not be recoverable. We assess recovery of assets at the individual restaurant level and typically include an analysis of historical cash flows, future operating plans, and cash flow projections in assessing whether there are indicators of impairment. The recoverability of assets to be held and used is measured by comparing the net book value of the assets of an individual restaurant to the fair value of those assets. This impairment process involves significant judgment in the use of estimates and assumptions pertaining to future projections and operating results.

There were no impairments of long-lived assets recorded in the fiscal quarters ended December 30, 2025 and December 31, 2024.

Trademarks. Trademarks have been determined to have an indefinite life. We evaluate our trademarks for impairment annually and on an interim basis as events and circumstances warrant by comparing the fair value of the trademarks with their carrying amount. There was no impairment required to the acquired trademarks as of December 30, 2025 and December 31, 2024.

Goodwill. Goodwill represents the excess of cost over fair value of the assets of businesses the Company acquired. Goodwill is not amortized, but rather, the Company is required to test goodwill for impairment on an annual basis or whenever indications of impairment arise. The Company considers its operations to be comprised of two reporting units: (1) Good Times and (2) Bad Daddy's. As of December 30, 2025 and December 31, 2024, the Company had $96,000 of goodwill attributable to the Good Times reporting unit and $5,617,000 of goodwill attributable to its Bad Daddy's reporting unit.

Note 12. Income Taxes

We account for income taxes using the liability method, whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value. The deferred tax assets are reviewed periodically for recoverability and valuation allowances are adjusted as necessary.

The Company's effective income tax rate for the three periods ended December 30, 2025 was 20.5%, an increase from the effective income tax rate of (1.60%) for the three periods ended December 31, 2024. The change is primarily due to state taxes and a decrease in expected income tax credits.

The Company is subject to U.S. federal income tax and income tax in multiple U.S. state jurisdictions. The Company's tax years corresponding to the Company's fiscal years 2022 through 2025 remain open for examination by the authorities under the normal three-year statute of limitations. Should the Company utilize any of its U.S. or state NOLs, the tax year to which the original loss relates will remain open to examination. The Company believes that its income tax filing positions and deductions will be sustained upon audit and does not anticipate any adjustments that will result in a material adverse effect on the Company's financial condition, results of operations, or cash flows. Therefore, no reserves for uncertain income tax positions have been recorded. The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. No accrual for interest and penalties was considered necessary as of December 30, 2025.

Note 13. Shareholders' Equity

Stock-based Compensation. The Company has traditionally maintained incentive compensation plans that include provision for the issuance of equity-based awards. The Company established the 2008 Omnibus Equity Incentive Compensation Plan in 2008 (the "2008 Plan") and has outstanding awards that were issued under the 2008 Plan. Subsequently, the 2008 Plan expired in 2018 and the Company established a new plan, the 2018 Omnibus Equity Incentive Plan (the "2018 Plan") during the 2018 fiscal year, which was approved by shareholders on May 24, 2018. Future awards will be issued under the 2018 Plan. On February 8, 2022 the Company's shareholders approved a proposal to increase the number of shares available for issuance under the 2018 Plan from 900,000 to 1,050,000, which currently represents the maximum number of shares available for issuance under the 2018 Plan.

Stock-based compensation is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the requisite service period (generally the vesting period of the grant). The Company recognizes the impact of forfeitures as forfeitures occur.

For the quarters ended December 30, 2025 and December 31, 2024, we recognized $23,000 and $35,000 respectively, related to our stock-based compensation arrangements.

Non-controlling Interests. Non-controlling interests are presented as a separate item in the shareholders' equity section of the condensed consolidated balance sheet. The amount of consolidated net income or loss attributable to non-controlling interests is presented on the face of the condensed consolidated statement of operations. Changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation are equity transactions, while changes in ownership interest that do result in deconsolidation of a subsidiary require gain or loss recognition based on the fair value on the deconsolidation date.

The equity interest of the unrelated limited partner is shown on the accompanying consolidated balance sheet in the shareholders' equity section as a non-controlling interest and is adjusted each period to reflect the limited partner's share of the net income or loss as well as any cash contributions or distributions to or from the limited partner for the period. The limited partner's share of the net income or loss in the subsidiary is shown as non-controlling interest income or expense in the accompanying consolidated statement of operations. All inter-company accounts and transactions are eliminated.

The following table summarizes the activity in non-controlling interests during the quarter ended December 30, 2025 (in thousands):

	Total
Balance at September 30, 2025	$ 753
Income	17
Balance at December 30, 2025	$ 770

Non-controlling interests at the end of the quarter consisted of one joint-venture partnership involving six Good Times restaurants, in which the Company is the controlling partner and owns a 50.0% interest.

Note 14. Segment Reporting

Our chief operating decision maker ("CODM") is the President and Chief Executive Officer. The CODM assesses performance, makes key decisions, and allocates resources at the concept level and has identified Good Times and Bad Daddy's as our separate operating and reportable segments. The Good Times segment includes the results of our Company-owned Good Times Burgers & Frozen Custard restaurants, which are located in the United States and operate within the quick-service restaurant segment of the industry. It also includes royalties and other fees from our franchised locations in the United States. The Bad Daddy's segment includes the results of our Company-owned Bad Daddy's Burger Bar restaurants, which are located in the United States and operate within the full-service dining restaurant segment of the industry. It also includes license fees from one licensed location in the United States. Unallocated costs such as human resources, finance, purchasing, restaurant development and administration are recorded at the corporate level and are included in Other. The amounts reported for each operating segment contain allocations from Corporate for items such as technology support, repair and maintenance, marketing and restaurant accounting. In addition, Corporate collects rent from the Good Times segment related to one restaurant for which the real estate is included in corporate assets. There are no material transactions between the Good Times and Bad Daddy's segments.

Restaurant sales for each operating segment include revenues generated by the operation of Company-owned restaurants, which include food and beverage sales, net of discounts. Franchise and other revenues for each operating segment include franchisee royalties and contributions to advertising funds, license fees, and other service fees, as well as gift card breakage.

Our CODM uses Restaurant-level operating profit as the measure for assessing performance and allocating resources for our segments. Restaurant-level operating profit is widely regarded in the restaurant industry as a useful metric by which to evaluate restaurant-level operating efficiency and performance. The Company defines restaurant-level operating profit to be restaurant revenues minus restaurant-level operating costs, excluding restaurant closures and impairment costs. The measure includes restaurant-level occupancy costs, which include fixed rents, percentage rents, common area maintenance charges, real estate and personal property taxes, general liability insurance and other property costs, but excludes depreciation.

We do not rely on any major customers as a source of sales, and the customers and long-lived assets of our operating segments are located in the United States.

Prior to fourth quarter 2025, certain general and administrative expenses now included in Other were combined and reported with our Bad Daddy's segment. In order to better align with our internal reporting and provide a better representation of restaurant-level operating profit, these expenses have been removed from the Bad Daddy's segment and are now stated separately in Other. Fiscal 2025 figures have been recast for comparability.

The following tables reconcile our segment results to our consolidated results reported in accordance with GAAP (in thousands):

	Thirteen Week Period Ended December 30, 2025			
	Good Times	**Bad Daddy's**	**Other**	**Consolidated**
Restaurant sales	$ 9,171	$ 23,202	$ -	$ 32,373
Restaurant operating costs:				
Food and packaging costs	2,826	7,015	-	9,841
Payroll and other employee benefit costs	3,210	8,000	-	11,210
Restaurant occupancy costs	915	1,615	(21)	2,509
Other restaurant operating costs	1,278	3,385	(101)	4,562
Restaurant-level operating profit	**$ 942**	**$ 3,187**	**$ 122**	**$ 4,251**
Reconciliation of Restaurant-level operating profit to Net income before income taxes				
Add:				
Franchise and other revenues				333
Less:				
Restaurant depreciation and amortization				940
Advertising costs				1,275
General and administrative				2,055
Loss on restaurant asset disposals				14
Income from operations				**300**
Less:				
Interest and other expense, net				51
Net income before income taxes				**$ 249**
Reconciliation of revenue				
Restaurant sales	$ 9,171	$ 23,202	$ -	$ 32,373
Franchise and other revenues	42	291	-	333
Total consolidated net revenues	**$ 9,213**	**$ 23,493**	**$ -**	**$ 32,706**
Other segment disclosures				
Restaurant depreciation and amortization	$ 244	$ 685	$ 11	$ 940
Capital expenditures	$ 71	$ 124	$ 13	$ 208

	Fourteen Week Period Ended December 31, 2024			
	Good Times	Bad Daddy's	Other	Consolidated
Restaurant sales	$ 9,887	$ 26,078	$ -	$ 35,965
Restaurant operating costs:				
Food and packaging costs	3,149	8,214	-	11,363
Payroll and other employee benefit costs	3,627	9,156	-	12,783
Restaurant occupancy costs	950	1,752	(19)	2,683
Other restaurant operating costs	1,255	3,573	(87)	4,741
Restaurant-level operating profit	**$ 906**	**$ 3,383**	**$ 106**	**$ 4,395**
Reconciliation of Restaurant-level operating profit to Net income before income taxes				
Add:				
Franchise and other revenues				368
Less:				
Restaurant depreciation and amortization				1,018
Advertising costs				1,129
General and administrative				2,588
Gain on restaurant asset disposals				(57)
Preopening costs				8
Income from operations				**77**
Less:				
Interest and other expense, net				46
Add:				
Other income				140
Net income before income taxes				**$ 171**
Reconciliation of revenue				
Restaurant sales	$ 9,887	$ 26,078	$ -	$ 35,965
Franchise and other revenues	59	309	-	368
Total consolidated net revenues	**$ 9,946**	**$ 26,387**	**$ -**	**$ 36,333**
Other segment disclosures				
Restaurant depreciation and amortization	$ 245	$ 764	$ 9	$ 1,018
Capital expenditures	$ 1,269	$ 477	$ 66	$ 1,812

	December 30, 2025	September 30, 2025
Property and equipment, net:		
Good Times	$ 7,391	$ 7,577
Bad Daddy’s	13,477	14,048
Other	234	243
Consolidated	$ 21,102	$ 21,868
Right-of-use assets, net:		
Good Times	$ 11,342	$ 12,078
Bad Daddy’s	19,386	20,515
Other	976	1,025
Consolidated	$ 31,704	$ 33,618
Total assets:		
Good Times	$ 20,295	$ 20,859
Bad Daddy’s	46,729	47,508
Other	15,488	15,440
Consolidated	$ 82,512	$ 83,807

Note 15. Subsequent Events

None.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview. Good Times Restaurants Inc., through its subsidiaries (collectively, the "Company" or "we", "us" or "our") operates and licenses full-service hamburger-oriented restaurants under the name Bad Daddy's Burger Bar ("Bad Daddy's") and operates and franchises hamburger-oriented drive-through restaurants under the name Good Times Burgers & Frozen Custard ("Good Times").

Forward-Looking Statements: This Form 10-Q contains or incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the disclosure of risk factors in the Company's Form 10-K for the fiscal year ended September 30, 2025. Also, documents subsequently filed by the Company with the SEC and incorporated herein by reference may contain forward-looking statements. We caution investors that any forward-looking statements made by us are not guarantees of future performance and actual results could differ materially from those in the forward-looking statements as a result of various factors, including but not limited to the following:

(I) The disruption to our business from pandemics or other public health emergencies and the impact it could have on results of operations, financial condition and prospects. The disruption and effect on our business may vary depending on the duration and extent of the pandemics and other public health emergencies and the impact of federal, state and local governmental actions and customer behavior in response.

(II) We compete with numerous well-established competitors who have substantially greater financial resources and longer operating histories than we do. Competitors have increasingly offered selected food items and combination meals, including hamburgers, at discounted prices, and continued discounting by competitors may adversely affect revenues and profitability of Company restaurants.

(III) We may be negatively impacted if we experience same store sales declines. Same store sales comparisons will be dependent, among other things, on the success of our advertising and promotion of new and existing menu items. No assurances can be given that such advertising and promotions will in fact be successful.

(IV) We may be negatively impacted if we are unable to pass on to customers, through menu price increases, the increased costs that we incur through inflation experienced in our input costs including both the cost of food and the cost of labor. Recent metrics have indicated that increased levels of price inflation are prevalent throughout the economy which have resulted in increases in commodity, labor and energy costs for both concepts as well as increased product substitutions, elevated freight costs, and increased variability in product quality. Further significant increases in inflation could affect the global and United States economies, which could have an adverse impact on our business and results of operations if we and our franchisees are not able to adjust prices sufficiently to offset the effect of cost increases without negatively impacting consumer demand. Additionally, tariffs threatened or implemented, or merely the lack of certainty about whether and which tariffs may be implemented could result in higher costs for products sourced from outside of the United States and negatively impact our business and results of operations.

We may also be negatively impacted by other factors common to the restaurant industry such as: changes in consumer tastes away from red meat and fried foods; increases in the cost of food, paper, labor, health care, workers' compensation or energy; inadequate number of hourly paid employees; increased wages and salaries for hourly and salaried employees; and/or decreases in the availability of affordable capital resources. We caution the reader that such risk factors are not exhaustive, particularly with respect to future filings. For further discussion of our exposure to market risk, refer to Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

Growth Strategies and Outlook. We believe there are significant opportunities to grow customer traffic and increase awareness of our brands, leading to organic sales growth. We also believe there are unit growth opportunities for both of our concepts though we continue to execute unit growth with increased scrutiny surrounding real estate selection and a more conservative approach to leverage than we previously took, considering the higher costs and volatile inflation present in the current operating environment.

Restaurant locations. As of December 30, 2025, we operated, franchised, or licensed a total of thirty-eight Bad Daddy's restaurants and thirty Good Times restaurants. The following table presents the number of restaurants operating at the end of the fiscal quarters ended December 30, 2025 and December 31, 2024.

Company-Owned / Joint-Venture:

	Bad Daddy's Burger Bar		Good Times Burgers & Frozen Custard		Total	
	Dec. 30, 2025	Dec. 31, 2024	Dec. 30, 2025	Dec. 31, 2024	Dec. 30, 2025	Dec. 31, 2024
Alabama	3	3	-	-	3	3
Colorado	9	10	27	27	36	37
Georgia	4	5	-	-	4	5
North Carolina	14	14	-	-	14	14
Oklahoma	1	1	-	-	1	1
South Carolina	4	4	-	-	4	4
Tennessee	2	2	-	-	2	2
Total	37	39	27	27	64	66

Franchisee / Licensee:

	Bad Daddy's Burger Bar		Good Times Burgers & Frozen Custard		Total	
	Dec. 30, 2025	Dec. 31, 2024	Dec. 30, 2025	Dec. 31, 2024	Dec. 30, 2025	Dec. 31, 2024
Colorado	-	-	1	1	1	1
North Carolina	1	1	-	-	1	1
Wyoming	-	-	2	2	2	2
Total	1	1	3	3	4	4

Results of Operations

Fiscal quarter ended December 30, 2025 (13 weeks) compared to fiscal quarter ended December 31, 2024 (14 weeks):

Net Revenues. Net revenues for the quarter ended December 30, 2025 decreased $3,627,000 or 10.0% to $32,706,000 from $36,333,000 for the quarter ended December 31, 2024. Bad Daddy's concept revenues decreased $2,894,000 while our Good Times concept revenues decreased $733,000 compared to the same prior-year quarter.

Bad Daddy's restaurant sales decreased $2,876,000 to $23,202,000 for the quarter ended December 30, 2025 from $26,078,000 for the quarter ended December 31, 2024. This decrease is due to an additional week in the prior fiscal quarter versus the current year fiscal quarter, the fourth fiscal quarter 2025 closure of one Bad Daddy's restaurant and the current quarter closure of one Bad Daddy's restaurant, partially offset by menu price increases. The average menu price increase for the quarter ended December 30, 2025 over the same prior-year quarter was approximately 1.7%.

Good Times restaurant sales decreased $716,000 to $9,171,000 for the quarter ended December 30, 2025 from $9,887,000 for the quarter ended December 31, 2024. This decrease is driven by an additional week in the prior fiscal quarter versus the current year fiscal quarter partially offset by favorability in weather that drove higher traffic, increases in menu price, increases for two Good Times restaurants acquired from a franchisee in the prior year quarter, as well as an increase due to the prior year quarter's temporary closure of one Good Times restaurant for renovations. The average menu price increase for the quarter ended December 30, 2025 over the same prior-year quarter was approximately 0.7%.

Franchise and other revenues decreased $35,000 to $333,000 in the quarter ended December 30, 2025 compared to $368,000 in the quarter ended December 31, 2024. This decrease is primarily due to reduced royalties earned and collected due to the aforementioned Good Times restaurant acquisitions from franchisees in the prior year quarter as well as reduced sales for one franchised Good Times restaurant.

Same Store Sales

Sales store sales is a metric used in evaluating the performance of established restaurants and is a commonly used metric in the restaurant industry. Same store sales for our brands are calculated using all company-owned units open for at least eighteen full fiscal months and use the comparable operating weeks from the prior year to the current year quarter's operating weeks.

Bad Daddy's same store restaurant sales decreased 1.2% during the fiscal quarter ended December 30, 2025 compared to the fiscal quarter ended December 31, 2024, primarily driven by discounts provided through included sides and drink specials along with a decrease in demand across the sector for alcoholic beverages, as well as reduced customer traffic in several key markets, partially offset by menu price increases. There were thirty-seven restaurants included in the same store sales base at the end of the quarter.

Good Times same store restaurant sales decreased 3.1% during the quarter ended December 30, 2025 compared to the fiscal quarter ended December 31, 2024, primarily driven by reduced customer traffic impacted by increased competitive restaurant openings in close proximity to several of our locations, partially offset by a menu price increase and favorable weather. There were twenty-seven restaurants included in the same store sales base at the end of the quarter.

Restaurant Operating Costs

Food and Packaging Costs. Food and packaging costs for the fiscal quarter ended December 30, 2025 decreased $1,522,000 to $9,841,000 (30.4% of restaurant sales) from $11,363,000 (31.6% of restaurant sales) for the quarter ended December 31, 2024.

Bad Daddy's food and packaging costs were $7,015,000 (30.2% of restaurant sales) for the quarter ended December 30, 2025, down from $8,214,000 (31.5% of restaurant sales) for the quarter ended December 31, 2024. This decrease is primarily attributable to an additional week in the prior year fiscal quarter versus the current year fiscal quarter, the fourth fiscal quarter 2025 closure of one Bad Daddy's restaurant and the current quarter closure of one Bad Daddy's restaurant as well as favorability in chicken and cheese prices partially offset by higher beef, bacon and bison purchase prices. The decrease, as a percent of sales, is attributable to the impact of recipe portion controls and waste controls along with favorability in the above-mentioned commodity basket items, partially offset by higher purchase prices of other above-mentioned commodity basket items compared to the prior year period.

Good Times food and packaging costs were $2,826,000 (30.8% of restaurant sales) for the quarter ended December 30, 2025, down from $3,149,000 (31.8% of restaurant sales) for the quarter ended December 31, 2024. This decrease is primarily attributable to an additional week in the prior year fiscal quarter versus the current year fiscal quarter, and lower chicken and egg purchase prices, partially offset by costs related to the acquisition of two Good Times restaurants from a franchisee in the prior year quarter, the prior year quarter temporary closure of one Good Times restaurant for remodel, and higher beef and bacon prices. The decrease as a percentage of sales is attributable to recipe portion controls and waste controls as well as the above-mentioned commodity price impacts.

Payroll and Other Employee Benefit Costs. Payroll and other employee benefit costs for the quarter ended December 30, 2025 decreased $1,573,000 to $11,210,000 (34.6% of restaurant sales) from $12,783,000 (35.5% of restaurant sales) for the quarter ended December 31, 2024.

Bad Daddy's payroll and other employee benefit costs were $8,000,000 (34.5% of restaurant sales) for the quarter ended December 30, 2025 down from $9,156,000 (35.1% of restaurant sales) in the same prior year period. The $1,156,000 decrease is primarily attributable to an additional week in the prior year fiscal quarter versus the current year fiscal quarter, the fourth fiscal quarter 2025 closure of one Bad Daddy's restaurant, the current quarter closure of one Bad Daddy's restaurant and reduced incentive compensation and other employee benefit costs, partially offset by reduced labor productivity and higher average pay rates. As a percent of sales, payroll and employee benefits costs decreased by 0.6% primarily attributable to reduced incentive compensation and other employee benefit costs, partially offset by decreased labor productivity resulting from the deleveraging impact of lower sales and higher average wage rates paid to attract qualified employees.

Good Times payroll and other employee benefit costs were $3,210,000 (35.0% of restaurant sales) in the quarter ended December 30, 2025, down from $3,627,000 (36.7% of restaurant sales) in the same prior year period. The $417,000 decrease is attributable to an additional week in the prior year fiscal quarter versus the current year fiscal quarter, increased labor productivity, and a revised in-store management structure, partially offset by costs related to the acquisition of two Good Times restaurants from a franchisee in the prior year quarter, the prior year quarter temporary closure of one Good Times restaurant for remodel, and higher minimum wage rates which inflate the average wage of all positions. As a percent of sales, payroll and employee benefits costs decreased by 1.7% primarily attributable to increased labor efficiency partially offset by higher average wage rates.

Occupancy Costs. Occupancy costs for the quarter ended December 30, 2025 decreased $174,000 to $2,509,000 (7.8% of restaurant sales) from $2,683,000 (7.5% of restaurant sales) for the quarter ended December 31, 2024.

Bad Daddy's occupancy costs were $1,615,000 (7.0% of restaurant sales) for the quarter ended December 30, 2025, down from $1,752,000 (6.7% of restaurant sales) in the same prior year period. The decrease was primarily due the fourth fiscal quarter 2025 closure of one Bad Daddy's restaurant.

Good Times occupancy costs were $915,000 (10.0% of restaurant sales) in the quarter ended December 30, 2025, down from $950,000 (9.6% of restaurant sales) in the same prior year period. This was primarily due to a decrease in the non-cash rent adjustments between the quarterly periods.

Other Operating Costs. Other operating costs for the quarter ended December 30, 2025, decreased $179,000 to $4,562,000 (14.1% of restaurant sales) from $4,741,000 (13.2% of restaurant sales) for the quarter ended December 31, 2024.

Bad Daddy's other operating costs were $3,385,000 (14.6% of restaurant sales) for the quarter ended December 30, 2025 down from $3,573,000 (13.7% of restaurant sales) in the same prior year period. The $188,000 decrease was primarily attributable to an additional week in the prior year fiscal quarter versus the current year fiscal quarter, the fourth fiscal quarter 2025 closure of one Bad Daddy's restaurant and the current quarter closure of one Bad Daddy's restaurant. As a percentage of sales, the increase is primarily due to increases in customer delivery expenses, repair and maintenance and utilities.

Good Times other operating costs were $1,278,000 (13.9% of restaurant sales) for the quarter ended December 30, 2025, up from $1,255,000 (12.7% of restaurant sales) in the same prior year period. As a percentage of sales, the increase is primarily due to increases in customer delivery expenses, repair and maintenance and utilities.

New Store Preopening Costs. There were no preopening costs in the fiscal quarter ended December 30, 2025, compared to $8,000 preopening costs for the fiscal quarter ended December 31, 2024. The prior year costs related to training incurred as part of the two Good Times restaurant acquisitions in the fiscal quarter ended December 31, 2024.

Depreciation and Amortization Costs. Depreciation and amortization costs for the quarter ended December 30, 2025 decreased $78,000 to $940,000 from $1,018,000 in the quarter ended December 31, 2024.

Bad Daddy's depreciation and amortization costs for the quarter ended December 30, 2025 decreased $79,000 to $685,000 from $764,000 in the quarter ended December 31, 2024. The decrease is primarily due to assets performing past their estimated usable lives.

Good Times depreciation and amortization costs for the quarter ended December 30 2025 decreased $1,000 to $244,000 from $245,000 in the quarter ended December 31, 2024.

General and Administrative Costs. General and administrative costs for the quarter ended December 30, 2025, decreased $533,000 to $2,055,000 (6.3% of total revenues) from $2,588,000 (7.1% of total revenues) for the quarter ended December 31, 2024.

This decrease in general and administrative expenses for the quarter ended December 30, 2025 is attributable to:

- Decrease in costs associated with multi-unit supervisory roles of $290,000
- Decrease attributable to health insurance underwriting costs of $110,000
- Decrease in technology costs of $67,000
- Net decreases in all other expenses of $66,000

Advertising Costs. Advertising costs for the quarter ended December 30, 2025 increased $146,000 to $1,275,000 (3.9% of total revenues) from $1,129,000 (3.1% of total revenues) for the quarter ended December 31, 2024.

Bad Daddy's advertising costs were $694,000 (3.0% of total revenues) in the quarter ended December 30, 2025 compared to $836,000 (3.2% of total revenues) in the same prior year period. The decrease primarily relates to a reduction in third-party delivery promotions and local store marketing, as well as an increase in rebates. Bad Daddy's advertising costs consist primarily of third-party gift card commissions, third-party delivery promotions, menu development, printing costs, local store marketing and social media.

Good Times advertising costs were $574,000 (6.2% of total revenues) in the quarter ended December 30, 2025 compared to $298,000 (3.0% of total revenues) in the same prior year period. The increase is primarily due to increased advertising campaigns including national cable placements, promotional campaigns on third-party delivery platforms, celebrity and influencer partnerships and targeted email marketing. Good Times advertising costs consist primarily of TV advertising, third-party delivery promotions, sponsorships and social media. Advertising costs are presented gross, with franchisee contributions to the fund being recognized as a component of franchise revenues.

Loss (Gain) on Restaurant Asset Disposals. The net loss on restaurant asset disposals for the fiscal quarter ended December 30, 2025 was $14,000, which is composed of a loss of $17,000 on disposal of miscellaneous assets, and $3,000 of deferred gain recognition, compared to a net gain of $57,000 for the fiscal quarter ended December 31, 2024. The net gain in the prior year fiscal quarter was primarily due to fixed asset retirements subject to insurance claims, partially offset by deferred gain recognition.

Income from Operations. Income from operations was $300,000 in the quarter ended December 30, 2025 compared to $77,000 in the quarter ended December 31, 2024.

The change in the income from operations for the quarter ended December 30, 2025 from the quarter ended December 31, 2024 is primarily attributable to matters discussed in the relevant sections above.

Interest Expense. Interest expense was $51,000 during the quarter ended December 30, 2025 compared with $46,000 during the quarter ended December 31, 2024.

Other Income. There was no other income for the quarter ended December 30, 2025 compared with $140,000 during the quarter ended December 31, 2024. The prior year quarter's other income related to the termination of an agreement in connection with the Company's management services, and lease negotiations on behalf of a former franchisee, with respect to real estate previously subleased to a third party by the former franchisee.

Provision for Income Taxes. There was $51,000 provision for income taxes for the quarter ended December 30, 2025, compared to ($3,000) for the quarter ended December 31, 2024.

Net Income. Net income was $198,000 for the quarter ended December 30, 2025 compared to net income of $174,000 in the quarter ended December 31, 2024.

The change from the quarter ended December 30, 2025 to the quarter ended December 31, 2024 was primarily attributable to the matters discussed in the relevant sections above.

Income Attributable to Non-Controlling Interests. The non-controlling interest represents the limited partner's share of income in the Good Times joint-venture restaurants.

For the quarter ended December 30, 2025, the income attributable to non-controlling interests was $17,000 compared to $10,000 for the quarter ended December 31, 2024. The $7,000 increase is due to increased profitability of the restaurants involved in the limited partnership with a non-controlling partner.

Adjusted EBITDA

EBITDA is defined as net income before interest, income taxes and depreciation and amortization.

Adjusted EBITDA is defined as EBITDA plus non-cash stock-based compensation expense, preopening expense, non-recurring acquisition costs, and non-cash disposal of assets. Adjusted EBITDA is intended as a supplemental measure of our performance that is not required by or presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results. Our management uses EBITDA and Adjusted EBITDA (i) as a factor in evaluating management's performance when determining incentive compensation and (ii) to evaluate the effectiveness of our business strategies.

We believe that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with other restaurant operating companies, which may present similar non-GAAP financial measures to investors. In addition, you should be aware when evaluating EBITDA and Adjusted EBITDA that in the future we may incur expenses similar to those excluded when calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies do not calculate Adjusted EBITDA in the same fashion.

Our management does not consider EBITDA or Adjusted EBITDA in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of EBITDA and Adjusted EBITDA is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Stock based compensation expense is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing performance for a particular period;
- Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only as a supplemental measure. You should review the reconciliation of net income to EBITDA and Adjusted EBITDA below and not rely on any single financial measure to evaluate our business.

The following table reconciles net income to EBITDA and Adjusted EBITDA *(in thousands)*:

	Quarter Ended	
	December 30, 2025 (13 Weeks)	**December 31, 2024 (14 Weeks)**
Net income attributable to common shareholders, as reported	**$ 181**	**$ 164**
Depreciation and amortization	966	1,042
Depreciation and amortization attributable to non-controlling interest	(26)	(26)
Provision for income taxes	51	(3)
Interest expense, net	51	46
EBITDA	$ 1,223	$ 1.223
Preopening expense (1)	-	8
Non-cash stock-based compensation (2)	23	35
Non-cash loss (gain) on restaurant asset disposals (3)	15	(4)
Adjusted EBITDA	$ 1,261	$ 1,262

(1) Represents expenses directly associated with the opening of new restaurants, including preopening rent.

(2) Represents non-cash stock-based compensation as described in Note 13 to the Consolidated Financial Statements.

(3) Primarily represents losses (gains) from asset disposals as well as deferred gains on previous sale-leaseback transactions on two Good Times restaurants.

Liquidity and Capital Resources

Cash and Working Capital

As of December 30, 2025, we had a working capital deficit of $8,247,000. Our working capital position benefits from the fact that we generally collect cash from sales to customers on the same day, or in the case of credit or debit card transactions, within a few days of the related sale and have payment terms with vendors that are typically between 14 and 21 days. Our current working capital deficit is additionally affected by the recognition of short-term lease liabilities, as we lease substantially all of our real estate and have both current and long-term obligations to our landlords. We believe that we will have sufficient capital to meet our working capital, and recurring capital expenditure needs in fiscal 2026. We anticipate any commitments in fiscal 2026 will be funded out of existing cash or future borrowings against the Cadence Credit Facility.

See Part II, Item 2 of this filing for a discussion of the Company's share repurchase program.

Financing

For a discussion of the Company's financing arrangements (including the Cadence Credit Facility), refer to note 7 to the unaudited condensed consolidated financial statements included in this report.

Cash Flows

The table below summarizes our cash flows from operating, investing, and financing activities for each period presented (in thousands):

	Quarter ended	
	December 30, 2025	December 31, 2024
Net cash provided by (used in) operating activities	$ 1,421	$ (518)
Net cash used in investing activities	(187)	(1,846)
Net cash (used in) provided by financing activities	(523)	1,534
Net change in cash and cash equivalents	$ 711	$ (830)

Operating cash flows

Net cash from operating activities increased by $1,939,000 as of the fiscal period ended December 30, 2025 compared to the fiscal period ended December 31, 2024. Operating cash flows were positively impacted by reduced prepaid rent included in ROU assets as of December 30, 2025 compared to December 31, 2024. During the first quarter of fiscal 2025, rent had been paid through the month of January, whereas rent had been paid through the month of December during first quarter fiscal 2026. Additionally, there was decreased cash usage for accounts payable and prepaid expenses, partially offset by increased cash usage for other accrued liabilities, as presented on the Condensed Consolidated Statements of Cash Flows.

Investing cash flows

Net cash used in investing activities for the quarters ended December 30, 2025 and December 31, 2024 were $187,000 and $1,846,000, respectively, which primarily reflect the purchases of property and equipment in each quarter as well as the acquisition in the prior year fiscal quarter of two Good Times restaurants previously owned by a franchisee.

Financing cash flows

Net cash used in financing activities for the quarter ended December 30, 2025 was $523,000, which includes proceeds from long-term debt of $500,000, $1,008,000 of payments on long-term debt, and cash usage for restricted stock unit vesting of $15,000.

Net cash provided by financing activities for the quarter ended December 31, 2024 was $1,534,000, which includes proceeds from long-term debt of $1,750,000, $10,000 of payments on long-term debt, distributions to non-controlling interests of $42,000, and $164,000 of payments for the repurchase of common stock under the Company's share repurchase program.

Impact of Inflation and Wage Increases at Both Concepts

Some commodity prices, such as dairy byproducts, chicken, and eggs, have been more stable over recent quarters. Although beef prices have decreased from their high points in the fourth fiscal quarter of 2025, they are still elevated. Based on general industry consensus, we expect that due to the continued tightening of supply, ground beef costs will remain elevated throughout most of fiscal year 2026. There continues to be uncertainty related to the degree of inflation and its associated impact on our business related to tariffs that have been implemented or threatened to be imposed on other countries, some of which are sources of food and packaging supplies for our business.

In addition to food cost inflation, we have also experienced the need to meaningfully increase wages to attract restaurant employees. While we are hopeful that wage rate inflation moderates as overall inflation, as evidenced by the Consumer Price Index (CPI-U), has moderated the persistent shortage of qualified workers, and in Colorado inflation-indexed statutory wage rate increases continue to place upward pressure on wages.

We have historically used menu price increases to manage profitability in times of inflation, however the current unusually high rate of wage inflation, exceeds what we believe we can reasonably pass through to our customers without negatively affecting frequency and trial by our customers, and we are not able to predict the impact of beef price inflation or our ability to offset the potential increase in cost of beef with menu price increases.

Seasonality

Revenues of the Company are subject to seasonal fluctuations based on weather conditions adversely affecting Colorado restaurant sales primarily during the months of December, January, February, and March, which affects both of the Company's brands, though increasingly winter weather events have impacted our restaurants outside of Colorado and late season weather events in April and May have occurred in Colorado during recent years. The Company's Bad Daddy's restaurants typically experience seasonal reductions in revenues between the months of October and January resulting from general consumer spending patterns.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this report on Form 10-Q, the Company's Chief Executive Officer (its principal executive officer) and Chief Accounting Officer (its principal financial officer) have concluded that the Company's disclosure controls and procedures were effective as of December 30, 2025.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the Company's internal control over financial reporting that occurred during the Company's fiscal quarter ended December 30, 2025 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

There may be various claims in process, matters in litigation, and other contingencies brought against the Company by employees, vendors, customers, franchisees, or other parties. Evaluating these contingencies is a complex process that may involve substantial judgment on the potential outcome of such matters, and the ultimate outcome of such contingencies may differ from our current analysis. We regularly review the adequacy of accruals and disclosures related to such contingent liabilities in consultation with legal counsel. While it is not possible to predict the outcome of these claims with certainty, it is management's opinion that any reasonably possible losses associated with such contingencies have been adequately accrued or would be immaterial to our financial statements.

The Company was the defendant in a lawsuit styled as White Winston Select Asset Funds, LLC and GT Acquisition Group, Inc. v. Good Times Restaurants, Inc., arising from the failed negotiations between plaintiffs and the Company for the sale of the Good Times Drive Thru subsidiary to plaintiffs. The lawsuit was initially filed on September 24, 2019, in Delaware Chancery Court, and the Company removed the case to federal court in the US District Court for the District of Delaware on November 5, 2019. On July 30, 2021, the plaintiffs moved the Court for leave to amend their complaint and add new causes of action and a claim for $18 million in damages. On January 25, 2023, the Court rendered judgment dismissing the plaintiffs' claims in their entirety and denying all of the requested relief.

The plaintiffs filed a notice of appeal of the Court's January 25, 2023, decisions. Good Times, in turn, filed a notice of appeal of the Court's previous dismissal of its counterclaim against the plaintiffs. On March 1, 2024, the court of appeals issued a ruling affirming the trial court's dismissal of the plaintiffs' claims and reversed the trial court's previous dismissal of Good Times' own claim for the plaintiffs' breach of their covenant not to sue Good Times. The court of appeals ordered that Good Times' counterclaim be remanded to the trial court for further consideration. Due to this favorable decision, during the quarter ended March 26, 2024, we reversed our previous contingency reserve of $332,000. The plaintiffs petitioned the court of appeals for rehearing on its reversal of the trial court's dismissal of Good Times' counterclaim. On June 20, 2024, the court of appeals affirmed its previous reversal of the trial court's dismissal of Good Times' counterclaim. The trial court considered the issue of White Winston's liability to Good Times and Good Times' claimed damages which exceeded $3 million and consisted largely of Good Times' legal fees. The trial court ordered the parties to submit briefing on the issue of damages. On April 11, 2025, the Court-appointed special master issued a recommendation that Good Times recover damages in the amount of $3.826 million plus pre- and post-judgment interest. White Winston filed a written objection to the Special Master's recommendation, and Good Times filed a written response. On July 30, 2025, the Court entered a final judgment in Good Times' favor in the amount of $3,826,715.07 in damages, $813,845.34 in pre-judgment interest, and post-judgment interest at a rate of 9.5% per annum. On December 31, 2025, the parties entered into a settlement of the claims against White Winston for an amount significantly less than this judgment, concluding the litigation.

ITEM 1A. RISK FACTORS

Risk factors associated with our business are contained in Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended September 30, 2025 filed with the SEC on December 29, 2025. There have been no material changes from the risk factors disclosed in the aforementioned filings.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company's Board of Directors authorized a $5.0 Million share repurchase program which became effective February 7, 2022. On December 9, 2024 the Company's Board of Directors authorized the purchase of another $2.0 million of common stock, bringing the total authorization for share repurchases to $7.0 million. The authorization to repurchase will continue until the maximum value of shares is achieved or the Company terminates the program. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities. As of December 30, 2025 the Company has purchased 1,822,246 shares of its common stock pursuant to the share repurchase plan leaving approximately $1,981,000 available for repurchases under the plan.

There were no repurchases of common stock under the share repurchase plan during the quarter ended December 30, 2025.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended December 30, 2025, none of the Company's directors or our officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, modified or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

ITEM 6. EXHIBITS

(a) Exhibits. The following exhibits are furnished as part of this report:

Exhibit No.	Description
10.1	Third Amendment to Credit Agreement dated September 30, 2025, by and among Good Times Restaurants Inc., each of its wholly owned subsidiaries and Cadence Bank, N.A. (previously filed as Exhibit 10.1 to the Registrant's Form 8-K filed with the SEC on October 3, 2025)
*31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350
*31.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350
*32.1	Certification of Chief Executive Officer and Principal Financial Officer pursuant to Section 906
101.INS	XBRL Instance Document. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOOD TIMES RESTAURANTS INC.

DATE: February 5, 2026

Ryan M. Zink
Chief Executive Officer
(Principal Executive Officer)

Keri A. August
Chief Accounting Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Ryan M. Zink, certify that:

1. I have reviewed this Form 10-Q of Good Times Restaurants Inc.;

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

Ryan M. Zink
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Keri A. August, certify that:

1. I have reviewed this Form 10-Q of Good Times Restaurants Inc.;

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

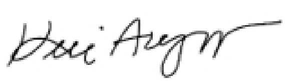
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially 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



Keri A. August
Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection this Form 10-Q of Good Times Restaurants Inc. (the “Company”) for the quarter ended December 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ryan M. Zink, as Chief Executive Officer and I, Keri August, as Principal Financial Officer of the Company, hereby certify, pursuant to and solely for the purpose of 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Ryan M. Zink
Chief Executive Officer
(Principal Executive Officer)

February 5, 2026

Keri August
Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)

February 5, 2026