



The Franchised Restaurant

FRANCHISE DISCLOSURE DOCUMENT
RED ROBIN INTERNATIONAL, INC.
a Nevada Corporation
10000 E. Geddes Ave., Suite 500
Englewood, Colorado 80112
(303) 846-6000
www.redrobin.com

The franchisor will grant the right to establish and operate casual dining, full-service RED ROBIN® Restaurants (as defined below) offering a large variety of highly craveable and customizable burgers in a fun environment welcoming guests of all ages.

The initial franchise fee is \$35,000. The total investment necessary to begin operation of a RED ROBIN® RESTAURANT ranges from \$2,705,000 to \$5,785,000 for a freestanding prototype building. These ranges include the initial franchise fee of \$35,000 that you must pay to us but does not include the cost of buying, building or renting the restaurant location and the cost to obtain a liquor license. The total investment necessary under the Area Development Agreement equals \$12,500 multiplied by the total number of restaurants to be developed. You must pay this amount to us.

This Disclosure Document summarizes certain provisions of your franchise agreement, area development agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact LeAnne Stine, Red Robin International, Inc., 10000 East Geddes Avenue, Suite 500, Englewood, Colorado 80112, (303) 846-6000.

The terms of your contract will govern your franchise relationship. Do not rely on this Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: June 10, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Red Robin Restaurant in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Red Robin franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, and/or litigation only in Colorado. Out-of-state mediation, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, or litigate with the franchisor in Colorado than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**FOR TRANSACTIONS REGULATED BY THE MICHIGAN FRANCHISE
INVESTMENT LAW ONLY**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
517-335-7599
Fax: 517-241-3771
Toll free: 877-765-8388

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Franchisor, Parent and Affiliates

To simplify the language in this franchise disclosure document (this “Disclosure Document”), “Franchisor,” “we,” “us,” “Company,” “RRI”, or “RED ROBIN” means Red Robin International, Inc., the franchisor. “You” means the person or entity that buys the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement (defined below), the Area Development Agreement (defined below) and related agreements will also apply to your owners.

We were originally incorporated on September 10, 1969, under the name Red Robin Enterprises, Inc., as a Washington corporation and began offering franchises of the type described in this Disclosure Document in 1979. On December 23, 1983, we changed our name to Red Robin International, Inc. In June 1990, Red Robin International, Inc., the Washington corporation, merged with and into Red Robin Merger Inc., a Nevada corporation that was incorporated in March 1990 for the sole purpose of that merger. The name of the surviving entity is Red Robin International, Inc. (“RRI”), a Nevada corporation. On January 17, 2001, we formed a Delaware corporation called Red Robin Gourmet Burgers, Inc. (“RRGB”). RRI became a wholly owned subsidiary of RRGB on August 9, 2001.

We do business as Red Robin[®], Red Robin Gourmet Burgers[®], and Red Robin Gourmet Burgers and Brews[®] (collectively, “RED ROBIN[®] RESTAURANTS”). We do not do business under any other name. Our principal business address is 10000 East Geddes Avenue, Suite 500, Englewood, Colorado 80112. Our telephone number is (303) 846-6000. RRGB shares our principal business address and telephone number. If applicable, our agents for service of process in certain states are listed in Exhibit D-2.

Prior to 1976, we operated modest restaurants offering high quality hamburgers and beer. Since then, we have developed a unique and distinctive system with uniform designs, methods, standards, specifications and procedures (the “System”) for the establishment, development and operation of casual dining, full service restaurants with a menu featuring gourmet burgers and spirits in a casual dining atmosphere. RED ROBIN[®] RESTAURANTS are the gourmet burger experts, famous for serving a large and varied selection of highly craveable and customizable burgers with “bottomless” side options at attractive prices in a fun environment welcoming to guests of all ages.

We sold our first franchise in December 1979.

We have operated RED ROBIN[®] RESTAURANTS since our inception. As of December 29, 2024, we and our affiliates, Red Robin West, Inc., Western Franchise Development, Inc., and Northwest Robins, LLC, operate 407 RED ROBIN[®] RESTAURANTS in the United States. Our affiliates share our principal office and telephone number.

Neither we nor our affiliates have offered franchises in any other line of business.

We entered into a master license agreement with Donatos[®] Pizzeria, LLC which permits RED ROBIN[®] RESTAURANTS to prepare and sell Donatos thin-crust pizza, using certain aspects of the Donatos’ system. In order for you to participate in this program at the Franchised Restaurant, you must sign the Donato Nested Restaurant Agreement attached as Exhibit B to the Franchise Agreement.

Predecessors

We have no predecessors.

The Franchise Offered

We grant franchises for Restaurants operating under the RED ROBIN[®] name and other marks (the “Marks”). The franchise offered is for the right to establish and operate full-service RED ROBIN[®] RESTAURANTS. We may consider on a case-by-case basis a franchisee’s request to convert an existing facility to a RED ROBIN[®] RESTAURANT, as well as sites that may be larger or smaller than our prototype, provided the site can be transformed to meet the standards and specifications of the RED ROBIN[®] RESTAURANT concept.

We may offer the right to enter into an area development agreement to develop multiple RED ROBIN[®] RESTAURANTS within a specifically described geographic territory (the “Area Development Agreement”). The form of Area Development Agreement you will sign is attached as Exhibit B to this Disclosure Document. The Area Development Agreement requires you to establish more than one RED ROBIN[®] RESTAURANT within a designated geographic area (the “Territory”) according to a development schedule (the “Development Schedule”). Under the Area Development Agreement, we may also grant franchises to an entity controlled by you or your owners that meets our then applicable standards and requirements for franchise owners (an “Authorized Entity”). For each RED ROBIN[®] RESTAURANT developed under the Area Development Agreement, you or an Authorized Entity must enter a Franchise Agreement (the “Franchise Agreement”) to operate the Franchised Restaurant. Our current form of Franchise Agreement for a RED ROBIN[®] RESTAURANT is attached as Exhibit C to this Disclosure Document.

Market Conditions and Competition

The restaurant industry is highly competitive, and guests may choose to purchase food at supermarkets or other food retailers. We compete against other segments of the restaurant industry, including quick-service and fast-casual restaurants. The number, size and strength of competitors vary by region, concept, market and even restaurant. We compete on the basis of taste, quality, price of food offered, guest service, ambiance, location, and overall dining experience. In particular, we face competition from concepts focused on the sale of hamburgers, including quick service and fast casual concepts. Many of these concepts are expanding faster than us and are penetrating both geographic and demographic markets that we target as well. Moreover, many of these concepts compete with smaller-sized building units, which allow them greater flexibility in site selection and market penetration.

We believe that our guest demographics, strong brand recognition, gourmet burger concept, attractive price-value relationship, and the quality of our food and service enable us to differentiate ourselves from our competitors. We believe we compete favorably with respect to each of these factors. Our competitors include well-established national chains which have more substantial marketing resources. We also compete with many other restaurant and retail establishments for site locations and team members.

We also strive to provide our guests with exceptional dining value. We believe our price-to-value relationship and our innovative array of burgers differentiates RED ROBIN[®] RESTAURANTS from our casual dining competitors and allows RED ROBIN[®] RESTAURANTS to appeal to a broad base of consumers with a wide range of income levels. We believe our diverse menu further enhances our broad appeal by accommodating groups with different tastes.

Industry Specific Regulations

You should consider that certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of calorie counts and nutritional facts, and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. You also must obtain a liquor license in accordance with state and local laws, regulations and ordinances. State and local laws, regulations and ordinances regarding the sale of alcoholic beverages vary significantly. You may experience difficulty in obtaining a license to sell liquor, restrictions may be placed on the manner in which liquor may be sold, and you may have liability imposed on you by Dram Shop Laws for injuries directly and indirectly related to the sale of liquor and its consumption. You will need to understand and comply with these laws in operating the Franchised Restaurant. There may be other laws applicable to your business. We urge you to make further inquiries about these laws.

Except as described above, neither we, our affiliates, our parent nor our predecessors have engaged in any other line of business or offered franchises in any other line of business.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer and President: David A. Pace

Mr. Pace joined Red Robin as President and Chief Executive Officer in April 2025. He has also been a member of Red Robin's board of directors since August 2019.

Chief Financial Officer: Todd Wilson

Mr. Wilson joined Red Robin as Chief Financial Officer in November 2022. Prior to joining Red Robin, Mr. Wilson served as the Chief Financial Officer of Hopdoddy Burger Bar and Hibar Hospitality, located in Austin, Texas, from November 2018 until October 2022.

Chief Legal Officer: Sarah Mussetter

Ms. Mussetter joined Red Robin as Chief Legal Officer in December 2022. From October 2021 to November 2022, she was Senior Vice President and Deputy General Counsel for Skillsoft, located in Denver Colorado. She previously held the roles of Associate General Counsel and Vice President, Deputy General Counsel, at Red Robin from August 2011 to September 2021.

Chief People Officer: Meghan Spuler

Ms. Spuler joined Red Robin as Chief People Officer in December 2023. Prior to joining Red Robin, she served as Chief People Officer for Eckerd Connects, located in Clearwater, Florida, from August 2021 to December 2023. Ms. Spuler served as Director of Human Resources, Senior Director of Human Resources, and Vice President of Human Resources for Bloomin' Brands, located in Tampa, Florida, from June 2016 to May 2021.

Senior Vice President, Operations: Jesse Griffith

Mr. Griffith joined Red Robin as Senior Vice President, Operations in March 2023. Prior to joining Red Robin, he held various leadership roles in restaurant operations at Torchy's Tacos, located in Austin, Texas, from February 2020 to February 2023.

Vice President, Franchise & Alternate Platforms: LeAnne Stine

Ms. Stine joined Red Robin in August 2002. Since January 2023, she has held the title of Vice President, Franchise & Alternate Platforms. Ms. Stine previously served as Director of Business Transformation from January 2018 to December 2022 and as the Regional Operations Director from August 2007 to December 2017.

ITEM 3

LITIGATION

Red Robin International, Inc. v. Lehigh Valley Restaurant Group, Inc., Case No. 15-CV-2602, U.S. District Court for the District of Colorado (filed November 27, 2015) and Case No. 16-1071, U.S. Court of Appeals for the Tenth Circuit (filed March 9, 2016). We filed a complaint against Lehigh Valley Restaurant Group, Inc. and the personal guarantors of a franchise agreement for a restaurant in Easton, Pennsylvania (James W. Ryan, Lucinda C. Lobach, and Joseph J. Fusco, Jr.) for trademark infringement, unfair competition, and breach of the franchise agreement and guarantees. The complaint alleges that LVRG is continuing to operate a "Red Robin" restaurant in Easton, Pennsylvania after expiration of the franchise agreement and seeks injunctive relief and damages. Shortly after filing its complaint, we filed a motion for preliminary injunctive relief. On December 10, 2015, defendants filed a motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(2) for lack of personal jurisdiction; the court denied the motion as to LVRG but dismissed the individual guarantors. On February 16, 2016, the court held a hearing on our motion for preliminary injunction. The court ultimately denied the motion, and we appealed to the U.S. Court of Appeals for the Tenth Circuit on March 8, 2016. On March 11, 2016, LVRG answered the complaint and filed counterclaims alleging that we failed to renew the Easton, Pennsylvania franchise agreement in breach of that agreement. The counterclaims are the same claims that LVRG brought regarding the franchise agreement in the Eastern District of Pennsylvania (described below). The parties agreed to settle all matters before the district court and the appellate court, along with all matters pending in Pennsylvania, on April 8, 2016. As part of the settlement, LVRG agreed to complete our brand transformation initiative at each of its restaurants according to a set schedule. If LVRG does so, we agreed to extend or shorten the terms of each of its franchise agreements so that all agreements expire on April 30, 2036, with no rights to renew. In addition, we granted LVRG the right to develop one additional franchised location.

Lehigh Valley Restaurant Group, Inc. v. Red Robin International, Inc., Case No. 16-CV-201, U.S. District Court for the Eastern District of Pennsylvania (filed January 15, 2016). Lehigh Valley Restaurant Group, Inc. filed a complaint against us for breaches of the parties' area development agreement and the franchise agreement for a restaurant in Easton, Pennsylvania based upon our alleged failures to renew those agreements. LVRG sought declaratory judgment and damages. We moved to dismiss the complaint arguing that two of the claims regarding the area development agreement were duplicative and that the claims related to the franchise agreement should have been brought in the pending litigation in the District of Colorado (Case No. 15-CV-2602 described above) as compulsory counterclaims. Before the

court could rule on this motion, on April 8, 2016, the parties settled this dispute along with their dispute in Colorado on the terms identified above.

Except as disclosed above, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Development Fee. If we grant you the right to open multiple Restaurants under an Area Development Agreement, you must pay us a development fee (the “Development Fee”) equal to \$12,500 multiplied by the number of Restaurants we grant you the right to develop in the Territory under the Development Schedule. The Development Fee is due and payable at the time you sign the Area Development Agreement. We will fully earn the development fee due under the Area Development Agreement when you pay it and you must pay us the development fee in one lump sum. The Development Fee is non-refundable.

Franchise Fee. For each Restaurant you develop during the original term of your Area Development Agreement, you must sign a Franchise Agreement for that Restaurant and pay an initial franchise fee (the “Franchise Fee”) equal to \$35,000. The Franchise Fee is due and payable within 10 days after the effective date of the Franchise Agreement. We will fully earn the Franchise Fee when you pay it, and you must pay us the Franchise Fee in one lump sum. If you fail to secure the required liquor license(s) by the date the Franchised Restaurant is otherwise ready to open for business (or required to open under the term of the Franchise Agreement), then we may terminate the Franchise Agreement and refund the amount of the Franchise Fee to you. Except as described in the preceding sentence, the Franchise Fee is non-refundable.

Purchase of Existing Restaurant. If you acquire an existing Restaurant owned by us or one of our affiliates, you will pay a purchase price for that Restaurant that we (or our affiliate) negotiate with you. No company-owned or affiliate-owned stores were sold in our fiscal year ending December 29, 2024.

Uniformity. We reserve the right in the Franchise Agreement and the Area Development Agreement to charge fees that are not uniform among our franchisees and developers.

ITEM 6

OTHER FEES

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Royalty Fee	5% of Gross Sales (2)	Payable on or before the 15th day of each Accounting Period based on Gross Sales for the preceding Accounting Period (1).	
NAP Fee, RAP Fee, LAP Fee, and Maximum Advertising Obligation	The maximum amount of the NAP Fee, RAP Fee and/or LAP Fee cannot exceed four percent (4%) of your Gross Sales (the “Maximum Advertising Obligation”). The NAP Fee, the RAP Fee, and the LAP Fee are collectively referenced as the “Advertising Fees” where appropriate.	Payable on or before the 15th day of each Accounting Period based on Gross Sales for the preceding Accounting Period.	See more detail below.
National Advertising Program Fee (or, NAP Fee)	Subject to the Maximum Advertising Obligations.	Payable on or before the 15th day of each Accounting Period based on Gross Sales for the preceding Accounting Period.	We may require you to participate in a National Advertising Program (or, NAP).
Regional Advertising Program Fee (or, RAP Fee)	Subject to the Maximum Advertising Obligation.	Payable on or before the 15th day of each Accounting Period based on Gross Sales for the preceding Accounting Period.	We may require you to participate in a Regional Advertising Program (“RAP”).
Local Advertising Program Fee (or, LAP Fee)	Subject to the Maximum Advertising Obligation.	Payable on or before the 15th day of each Accounting Period based on Gross Sales for the preceding Accounting Period.	We may require you to participate in a Local Advertising Program (or, LAP).

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Late Charge	\$500	When payment is made.	Due for each delinquent payment of fees.
Opening Crew	Variable.	When billed.	We may require that the Franchised Restaurant be staffed by an opening crew composed of our representatives for up to twenty (20) days on or around the date the Franchised Restaurant opens for business, and you must reimburse us for all reasonable expenses that we incur including costs of transportation, lodging, meals and wages.
Correction of Deficiencies at Restaurant	Variable.	When billed.	If you fail to correct any deficiencies detected within a reasonable time after our inspections, we have the right to correct such deficiencies on your behalf, and charge you a reasonable fee for any expenses we incur.
Approval of Alternate Supplier	Will vary under circumstances (not to exceed the reasonable cost of the research and inspection and the actual cost of the test).	As incurred.	Fee charged for testing samples of proposed new suppliers.
Audit	Amount of any underpayment (or understatement) plus interest from the date due, unless the amount of underpayment (or understatement) exceeds 2% of Gross Sales in which case you must also pay for the cost of the audit.	Within 15 days after receipt of the audit report.	Due if you do not give us reports, supporting records, or other required information on a timely basis or if you underpay or understate the obligation during any Accounting Period by 2% or more of Gross Sales.

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Information Security Audit	The actual cost of the audit.	As incurred.	We or our designee reserve the right to conduct a data security and privacy audit of the Franchised Restaurant and your computer system to ensure that you are complying with our requirements for handling personal information. You will pay the cost of this audit.
Transfer	\$10,000	Before transfer.	Payable upon any transfer of the Franchised Restaurant, the Franchise Agreement or any interest in any entity that owns the Franchised Restaurant or the franchise rights.
Cost and Attorneys' Fees	Will vary under circumstances.	As incurred.	Due to prevailing party in any dispute resolution proceeding.
Indemnification	Will vary under circumstances.	As incurred.	You must reimburse us if we are held liable for claims arising from your operation of the Franchised Restaurant.
Interest	Lesser of 18% per year or the maximum rate allowed by applicable law.	Upon demand.	Interest may be charged only on overdue amounts and will start to accrue on the date when the payment was originally due.
Insurance	Cost of insurance.	As incurred.	See Note 3.
Management Fee	10% of Gross Sales plus costs and expenses.	When billed.	Due when we (or a third party) manage the Franchised Restaurant after your abandonment, default, or expiration or termination of the Franchise Agreement while we consider whether to exercise our option to purchase the Franchised Restaurant.

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Additional and On-Site Training	Our current training fee, plus any travel and living expenses for the trainers we send to the Franchised Restaurant.	When billed.	You may invite additional employees to attend the Training Programs if space allows, though we reserve the right to charge you our then-current training fee for each additional individual, and we may limit the number of additional attendees for the Training Programs. You may request that we provide any portion of the training programs on-site at the Franchised Restaurant, and we may determine whether to provide such portion of the training programs on-site in our discretion. If we provide any portion of the training programs on-site at the Franchised Restaurant, we may charge our then-current training fee, plus any travel and living expenses for the trainers we send to the Franchised Restaurant.
Mystery Shopper / Customer Survey Fee	Will vary under circumstances.	As incurred.	We may contract with third parties to conduct mystery shopper, customer survey or other market research testing, and quality assurance inspections at the Franchised Restaurant. We reserve the right to require you to reimburse us for our costs and expenses associated with these inspection services.

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Liquidated Damages	An amount equal to (a) the average monthly Royalty Fees due under the Franchise Agreement for the twelve (12) months (or the period of time you have operated the Franchised Restaurant if less than twelve (12) months) immediately before such termination, multiplied by (b) the lesser of (i) twenty-four (24) months or (ii) the number of months remaining in the then-current term of the Franchise Agreement.	Upon termination of Franchise Agreement.	See Note 4.
Fee to Delay Termination of Area Development Agreement	\$10,000 per month for up to one (1) year.	As they become due following failure to satisfy Development Schedule.	See Note 5.

Except as otherwise disclosed in this Item, all fees described herein are calculated and imposed uniformly on franchisees and are non-refundable.

NOTES

1. We reserve the right in the Franchise Agreement and the Area Development Agreement to charge fees that are not uniform among our franchisees and developers. We currently have 13 accounting periods per fiscal year, each period consisting of 28 days (each an “Accounting Period”).
2. “Gross Sales” means and includes the total value of all services and products provided by and/or from the Franchised Restaurant and all revenue from any sale of all services and products and all other income of every kind and nature related to the Franchised Restaurant (including, without limitation, the full value of on-premise sales, off-premise sales, catering sales, internet or website sales, e-commerce sales, sales from tabletop and other digital media devices, and any other type of sale related to the Franchised Restaurant, whether for cash or credit (and regardless of collection in the case of credit) and with no deductions or exclusions whatsoever, except (i) deductions and exclusions for complimentary sales to guests, (ii) discounted sales to guests, (iii) coupon sales to guests, (iv) sales (discounted or otherwise) to employees, and (v) federal taxes, state taxes, or municipal sales taxes collected from guests and paid to the appropriate taxing authority).
3. You must obtain and maintain certain types of insurance coverage (see Item 8). If you fail to obtain and maintain insurance, we may immediately obtain or reinstate the insurance for you and you must promptly reimburse us for the cost of the insurance plus a reasonable fee for our services and our out of pocket expenses.

4. Under the Franchise Agreement, you will be required to pay us this fee if we terminate the Franchise Agreement based on your default or you abandon the Franchised Restaurant or you terminate without cause.
5. Under the Area Development Agreement, if you fail to comply with the Development Schedule by failing to have a Restaurant open and operating on the date set forth in the Development Schedule, we have the right to charge you \$10,000 per month for up to one (1) year in exchange for us delaying the exercise of our termination rights under the Area Development Agreement.
6. In addition to the information on other fees shown above, we currently maintain and administer a national advertising fund ("NAF") and a cooperative advertising program ("CAP") for the purpose of maintaining, administering, directing, and preparing advertising, public relations, and promotional activities for the benefit of the System, including, without limitation, the activities referenced below. In the future, we may utilize (and, we may require you to participate in) a National Advertising Program (or, NAP), a Regional Advertising Program (or, RAP) and/or a Local Advertising Program (or, LAP) and your fees to the NAP, RAP, and/or LAP will not exceed the Maximum Advertising Obligation as referenced below. We may require you to participate in the NAF and CAP or we may require you to participate in the NAP, RAP, and/or LAP, in addition to other supplemental marketing programs.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (FOR FREESTANDING PROTOTYPE BUILDING)

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Initial Franchise Fee (See Note 1)	\$35,000	\$35,000	Lump sum	When you sign a Franchise Agreement.	Us
Real Estate (See Note 2)	Variable	Variable	As negotiated	As negotiated	Sellers, Lessors
Small wares & Supplies (e.g. dishes, silverware, other utensils; paper, cleaning, & office supplies etc.)	\$40,000	\$50,000	Lump sum	As incurred	Suppliers
Initial Inventory (See Note 3)	\$40,000	\$50,000	Lump sum	As incurred	Suppliers

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Pre-Opening Expenses (legal, accounting, personnel & training related expenses, utility deposits, licenses, and other prepaid expenses) (See Note 4)	\$200,000	\$300,000	As agreed	As incurred	Suppliers, agencies, service providers
Annual Insurance Premium for first year's coverage (building, contents, liability, umbrella and Workers' Compensation insurance) (See Note 5)	\$50,000	\$80,000	Lump sum	As incurred	Insurer
Liquor License (See Note 6)	Variable	Variable	Lump sum	As incurred	Licensing authorities and sometimes existing license holder
Site Work (See Note 7)	\$75,000	\$500,000	As agreed	As incurred	Contractors, suppliers
Pre-construction, due diligence, design costs, permits (See Note 8)	\$125,000	\$400,000	As agreed	As incurred	Contractors, suppliers
Building Construction Costs (See Note 9)	\$1,200,000	\$2,800,000	As agreed	As incurred	Owner of property, contractors, suppliers
Furniture, Fixtures, Décor Items and Equipment (See Note 10)	\$750,000	\$1,250,000	As agreed	As incurred	Suppliers
Exterior Signage (See Note 11)	\$90,000	\$120,000	As agreed	As incurred	Suppliers
Additional Funds – 3 months (See Note 12)	\$100,000	\$200,000	As incurred	As incurred	Employees, suppliers
Total Estimated Initial Investment (Excluding Real Estate and Liquor License) (See Note 13)	\$2,705,000	\$5,785,000			

NOTES

1. You must pay us an initial franchise fee of \$35,000. The initial franchise fee is non-refundable under the terms of the Franchise Agreement (See Item 5). You must, at your sole cost and expense, pay all fees costs, charges, and other expenses that may be due under the Franchise Agreement in immediately available funds at the location and in the manner designated by us from time-to-time including, without limitation, payment by electronic funds transfer, payment by centralized payment processing programs, payment by automatic funds transfer, payment by auto-debit and/or any similar payment methods. You must at your sole cost and expense, execute such documents and take such action(s) as may be required to effectuate these payment terms.
2. The cost of acquiring or leasing a location for the Franchised Restaurant will vary significantly depending upon the market in which the proposed site is located. A suitable parcel of real property for a freestanding Restaurant will range in size from approximately 10,000 square feet to 87,000 square feet. Local market conditions, changes in the economy and inflation will all contribute to your real property costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will affect both its size and price. Lease agreements vary, but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of the Franchised Restaurant or they may require that the lessee reimburse the lessor for its proportionate share of these payments (plus interest) made on behalf of the lessee and pay minimum monthly rent and/or percentage rent.
3. Due to differences in local laws, prices, suppliers, geography and commercial practices, you may elect to carry a larger inventory. Local costs will greatly affect this investment.
4. Typical pre-opening expenses include salaries and living expenses for managers in training, training expenses incurred for staff, pre-opening training menus, related pre-opening marketing and personnel ads. Additionally, you will likely have to prepay or make deposits for various utilities such as gas, electricity, sewer, water, telephone, and garbage disposal. We estimate that these prepaid expenses and deposits will be between \$7,500 and \$20,000. You must obtain state and local licenses, which will vary by location but which will typically include liquor licenses (see Note 6), business licenses, vending machine licenses, and/or games licenses. You may have to post bonds in order to obtain certain governmental permits.
5. You will likely have to prepay all or a portion of the first year's premiums for insurance. We estimate that these premiums will be between \$50,000 and \$80,000.
6. The cost to obtain a liquor license varies greatly depending on the licensing authority involved and the local liquor license resale market, if any. In our recent experience with our company-owned restaurants, the cost to obtain a liquor license has run between \$3,500 and \$750,000 or more (including legal fees). Generally, liquor-licensing systems fall into 2 categories: (a) quota-based systems, and (b) non-quota-based systems. In quota-based systems, the total number of licenses available in a municipality, county or other defined territory is set according to the number of people within the territory. For example, state law may limit the total number of licenses available to 1 license per every 2,000 persons. Once the licensing authority has issued the total number of licensees according to the population, the licensing agency will not issue any additional new licenses until a new census is taken that shows an increase in population or until an existing permit expires or is revoked. Most often in quota-based systems, parties seeking licenses will not wait for the next census or wait for a license to expire. Instead, they will purchase a license from an existing licensee. In such situations, the cost of obtaining a license can be substantially greater than the cost of obtaining a license directly from the licensing authority primarily because of the lack of new licenses available (limited supply versus increasing demand). In such a situation, the new licensee

will typically pay not only fixed license transfer fees to the state licensing authority, but it will also pay the purchase price to the transferor plus fees for any local attorney's services or license broker's services. The licensing agency may or may not regulate the price of such licenses. The price may simply be set by the market for licenses in a particular location. For example, it has been reported that in certain areas in Pennsylvania prices can range from \$4,000 to more than \$750,000, depending upon location, as based upon information provided by the Pennsylvania Liquor License Exchange. A potential licensee should carefully review the system of liquor licensing in its state and review the expected range of costs, if its Restaurant is located in a quota state. In state systems that are not quota-based, the cost of obtaining a state license is usually limited to the fee prescribed by statute or administrative regulation, plus fees for any local attorney's services and/or other service providers such as license brokers. In each of these cases, however, there may be additional costs imposed by a need to obtain a municipal and/or county liquor license or permit in addition to a state permit, a conditional use permit or other governmental approval. There may also be fees incurred in connection with associated tax permits that may be required, or other fees related to additional miscellaneous state, county or local permits.

7. Site work costs will vary depending upon numerous factors, including the condition of the acquired site, which may require removal (or, demolition) of existing improvements, conversion of existing improvements, landscaping, extent of site preparation, such as grading, environmental & geotechnical land conditions, utility extensions and availability of ingress and egress, and local zoning and building codes. Sites for freestanding restaurants can range in size from approximately 10,000 to 87,000 square feet, depending on the availability of cross-access parking and who owns the parking lot. Your experience may vary substantially based on local conditions, changes in the economy, prices of labor and materials in your area and local zoning and building code requirements.
8. Design cost assumes adaptation of our current prototype to the site without city or developer modifications. Permitting assumes only the cost of the building permit. Regional tap and impact fees may also be required and vary considerably. Those fees are not included in this number. Due diligence includes the cost of the Site Investigation Report, Soils Report, and the environmental study and survey.
9. Construction costs will vary depending on numerous factors, including the size and configuration of the site and the cost of materials and labor for constructing the building. We based these estimated costs on the cost of adapting our standard prototype architectural and design Restaurant plans to construct the Franchised Restaurant from the footings to building completion. Our current prototype contains approximately 5,000 to 6,000 square feet. The lower end of the estimate assumes that you are building a 5,000 square foot restaurant. Regional variances in construction costs may decrease that cost estimate by as much as 8% or increase it by as much as 35%.
10. This estimate includes freight, installation, and applicable state and local taxes. This number also includes point of sale equipment and décor.
11. This amount represents your cost for an exterior sign package. Each locality has different restrictions and ordinances that may affect your costs.
12. Our estimates of the amounts needed to cover your expenses for the start-up phase (i.e., 3 months from the date the Franchised Restaurant opens for business) of your business include: replenishing your inventory, lease payments, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities and other variable costs. These figures are

estimates and we cannot assure you there will not be additional expenses. Your actual cost will depend on management skill, experience, business acumen, local economic conditions, local market for casual dining, prevailing wage rates, competition and the sales level reached during the start-up phase and other factors. These amounts do not include any estimates for debt service on loans that you obtain to finance your business.

The estimated initial investment figures shown above for constructing and opening a Restaurant are based on a single, freestanding restaurant constructed by us that opened for business in 2023 with reasonable estimates based on our prototype building standards. You should review these figures carefully with a business advisor before making any decision to purchase this franchise.

**YOUR ESTIMATED INITIAL INVESTMENT
(FOR AN AREA DEVELOPMENT AGREEMENT)**

	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Fee for Multiple Restaurants (See Item 5)	\$12,500 per Restaurant	Lump Sum	When you sign the Area Development Agreement.	Us
Total Estimated Initial Investment	\$12,500 multiplied by the number of Restaurants.			

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To ensure that each Restaurant is operated in a first-class manner in accordance with our quality standards, we issue specifications to you in our FOM, as defined below in Item 11 and you must operate the Franchised Restaurant in strict compliance with these standards and specifications. You must sell or offer for sale only those menu items, products and services that we have expressly approved in writing. We reserve the right to implement new and/or supplemental programs and/or procedures from time-to-time such as delivery, catering, off-premises food service, guest engagement, mystery shopper, safety, and nutrition programs. You are required to participate in such programs and/or procedures.

Approved Suppliers

To maintain the quality and uniformity of all food items, ingredients, supplies, paper goods, fixtures, furnishings, equipment, signage and other products (the “Restaurant Items”) used in RED ROBIN® RESTAURANTS, you must purchase all Restaurant Items from suppliers approved by us in writing. We may designate ourselves or an affiliate as the sole supplier or an approved supplier of any Restaurant Item. We maintain a list of approved Restaurant Items and approved brands and suppliers for those Restaurant Items. We may provide a list of approved suppliers and approved Restaurant Items to you, including designation by brand and our standards and specifications, as contained in the FOM (see Item 11) or otherwise in writing. You must comply with all required purchases from approved suppliers and in conformity with our standards and specifications. All menu items and food products must be prepared in strict compliance with the recipes and the procedures we specify in the FOM or otherwise in writing. You may offer and sell only food products and menu items and services that we have specifically approved in writing. You may not deviate from our approved menu items without our prior written approval.

You may purchase approved Restaurant Items from any supplier approved or designated by us (which may include us and/or our affiliates). We maintain approved supplier criteria; however, we do not issue these criteria to you. If you propose to purchase any Restaurant Item from any unapproved supplier or purchase any unapproved Restaurant Item, you must first notify us in writing, using our supplier approval process and application, and submit to us sufficient specifications, photographs, drawings and/or other information or samples for us to determine whether the proposed Restaurant Items comply with our specifications and standards, and/or the supplier meets our approved supplier criteria, which we may determine and communicate to you in writing within a reasonable time after receipt of the information from you or from the proposed supplier. However, if we do not respond within 60 days, your request will be deemed denied. We may require the proposed supplier to provide samples for us to test. We may charge you for the costs we incur in conducting a test of any proposed Restaurant Items, but such charge will not exceed the actual cost of the test. You acknowledge that we may reject your request for a new supplier if we or our affiliate already have a designated supplier for the product or material proposed to be offered by the new supplier. We also reserve the right to charge suppliers for the right to manufacture products for use in the Franchised Restaurant.

Insurance

1. **Liability Insurance.** During the Term, you must maintain, at your sole cost, comprehensive general liability insurance, including broad form contractual liability, broad-form property damage, personal injury, completed operations, products liability and fire damage coverage, in the amount of Two Million Dollars (\$2,000,000) per occurrence for bodily injury and property damage, Two Million Dollars (\$2,000,000) for liquor liability and Three Million Dollars (\$3,000,000) general aggregate.

2. **Property Insurance.** During the Term, you must maintain, at your sole cost and expense, property insurance against damage or loss by fire and such other hazards (including without limitation, earthquake, lightning, windstorm, hail, explosion, riot, civil commotion, vandalism, malicious mischief, aircraft, vehicle and smoke) on an “all risk” basis on the Franchised Restaurant in an amount not less than the full replacement value.

3. **Worker’s Compensation Insurance.** During the Term, you must subscribe to the workers’ compensation law in the state in which the Franchised Restaurant is located and must maintain, at your sole cost, workers’ compensation and employers’ liability insurance covering all of your employees with employer’s liability limits not less than Five Hundred Thousand Dollars (\$500,000) for each bodily injury by

accident and Five Hundred Thousand Dollars (\$500,000) for each bodily injury of an employee by disease, and you must carry this insurance regardless of waiver or exemption of coverage under applicable state statute.

4. Builder's Risk Insurance. In connection with any construction, renovation, refurbishment or remodeling of the Franchised Restaurant, you must maintain "all risks" Builder's Risk insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to RRI.

5. Automobile Insurance. During the Term, you must maintain, at your sole cost, automobile liability insurance for all owned, non-owned and hired vehicles covering bodily injury, death and property damage with a minimum combined single coverage limit of One Million Dollars (\$1,000,000).

6. Excess Insurance. During the Term, you must maintain, at your sole cost, commercial umbrella liability or excess liability insurance with a minimum limit of Five Million Dollars (\$5,000,000) per occurrence; such policy must provide excess limits for the general liability, automobile liability and employer's liability forms required above or at least as broad in coverage.

7. Additional Insurance Policies. During the Term, you must maintain, at your sole cost, cybersecurity, network risk, and/or cyber liability insurance policies in such amounts as a reasonably prudent franchisee would maintain or as reasonably required by us from time-to-time. In addition (and during the Term), you must maintain, at your sole cost, such additional insurance policies as a reasonably prudent franchisee would maintain or as reasonably required by us from time-to-time.

8. Policy Requirements. All insurance policies required under the Franchise Agreement must contain provisions to the effect that the insurance is primary and will not be canceled or modified without at least 30 days prior written notice to us and that no modification will be effective unless approved in writing by us. All such policies will be issued by a company or companies, rated "A" or better by Best's Insurance Guide, responsible and authorized to do business in the state in which the Franchised Restaurant is located, as you may determine, and as approved by us, which approval will not be unreasonably withheld.

(a) All insurance policies required hereunder, with the exception of Workers' Compensation Insurance, must name us, our affiliates, successors and assigns (and our respective officers, directors, shareholders, partners, employees, servants, representatives and agents) as additional insureds and must expressly provide that their interest will not be affected by any breach by you of any policy provisions. In addition, all insurance policies must waive subrogation in our favor, our affiliates, successors and assigns (and our respective officers, directors, shareholders, partners, employees, servants, representatives and agents).

(b) You may elect to have reasonable deductibles in connection with the insurance coverage required under the Franchise Agreement subject to a reasonable evaluation of your financial strength as compared to such deductibles and otherwise subject to our prior written consent. You may not agree to sublimits in the insurance policies required by the Franchise Agreement without our prior, written consent.

(c) Your obligation to maintain the insurance policies under the Franchise Agreement must not (i) release you from your indemnity obligations under the Franchise Agreement; or (ii) be limited by reason of any insurance which may be maintained by us.

(d) We reserve the right to reasonably revise and/or reasonably increase the insurance coverages required under the Franchise Agreement and you must promptly comply with any revisions and/or increases.

(e) Not less than once per year, you will deliver to us certificates of insurance evidencing the insurance coverages required under the Franchise Agreement. You will also deliver certificates and/or copies of your insurance policies within 10 days after our request.

9. Our Right to Procure Insurance. In the event you fail to comply with the insurance requirement under the Franchise Agreement, then (in addition to any other remedies available to us under the Franchise Agreement), we will have the right (but not the obligation) to procure insurance on your behalf and to charge same to you for the cost incurred by us with a reasonable fee for our expenses in so acting, you must pay us immediately upon notice from us.

Proprietary Products

We have developed and may continue to develop for use by RED ROBIN[®] RESTAURANTS certain products (“Proprietary Products”) that bear our Marks (see Item 13). If any Proprietary Product becomes a part of the System, we may require you to purchase those items solely from us, our affiliate or from an approved supplier. We and our affiliates do not currently sell any products to franchisees, but we reserve the right to do so in the future. You may also be required to purchase these Proprietary Products from our designated third-party supplier. RRI and its affiliates did not receive revenue from franchisees for products or services that we sold to our franchisees during fiscal year 2024, except for non-material revenue from used and/or warehoused restaurant equipment sold to franchisees in voluntary, arms-length transactions.

Revenue and Other Benefits From Franchisee Purchases

Typically, you will purchase directly from suppliers that we designate or approve and, typically, you will receive discounts and/or rebates related to such purchases directly from such suppliers. Accordingly, we typically do not derive revenue, discounts, and/or rebates based on franchisees’ purchases from such suppliers. If we receive discounts and rebates on purchases made by both our company-owned restaurants and franchisee-owned restaurants from such suppliers, then those discounts and rebates will typically be allocated across both company-owned and franchisee-owned restaurants based on usage at each Restaurant or other reasonable allocation methods. RRI received rebates in fiscal year 2024 from suppliers based on purchases made by both our company-owned restaurants and franchisee-owned restaurants in the approximate amount of \$11.3 million and these rebates were allocated across both company-owned and franchisee-owned restaurants based on usage at each restaurant or other reasonable allocation methods. The basis for the calculation of these rebates varies and may depend on the product being purchased and the amount of usage of that product by us, our affiliates and our franchisees.

Other Supply Chain Matters

You must comply with the supply chain requirements under the Franchise Agreement and the FOM (and any other requirements that we may from time-to-time prescribe in the FOM or otherwise in writing). In the event of an update, modification, and/or revision to the FOM regarding these requirements, you must comply with the FOM, as updated, modified, and/or revised.

(a) We may, from time-to-time and at our option, provide training, guidance, and advisory assistance to you regarding supply chain matters in connection with your operation of the Franchised Restaurant, as we deem advisable. We may, from time-to-time and at our option, provide to you advice and written materials concerning techniques of managing the supply chain for the Franchised Restaurant, including information regarding distribution, logistics, and other supply chain matters. We reserve the right to charge reasonable fees to you for these services and/or require you to reimburse us for overhead, costs, and expenses incurred by us in connection with services.

(b) You are responsible for all cost, liability, expense, for all supply chain matters related to the Franchised Restaurant. You acknowledge that our rendering of assistance in connection with supply chain matters does not constitute a representation, promise, warranty, or guarantee by us regarding the viability and/or operational effectiveness of any supply chain matters. You release us and hold us harmless (including our subsidiaries, officers, directors, employees, and agents) from any and all liability, loss, or damages which may arise from supply chain matters related to the Franchised Restaurant.

(c) You must negotiate your own supply chain contracts with distributors, manufacturers, and suppliers, and you acknowledge and agree that those contracts may have terms, conditions, and pricing that are different from our contracts for similar supply chain items. You are solely responsible for the terms, conditions, and pricing of your supply chain contracts, subject to the terms of the Franchise Agreement and the FOM. In connection with certain supply chain contracts, we may elect (in our sole discretion) to combine the anticipated volume for our company-owned RED ROBIN[®] RESTAURANTS together with anticipated volume for some (or all) franchised RED ROBIN[®] RESTAURANTS to optimize pricing in such contracts, but you may still be required to negotiate your own supply chain contracts with distributors, manufacturers, and suppliers and those contracts may have terms, conditions, and pricing that are different from our contracts for similar supply chain items.

(d) We may elect, in our sole discretion, to negotiate certain FOB origin shipping terms that may be available to both company-owned and franchised RED ROBIN[®] RESTAURANTS, but you may be required to negotiate your own supply chain terms such as freight costs to move contracted item(s) to the distribution center that services the Franchised Restaurant.

(e) We may elect, in our sole discretion, to enter supply chain contracts which contain terms and conditions for certain rebates where these rebates (if any) may be allocated and distributed based on the actual usage by each RED ROBIN[®] RESTAURANTS. If we elect to enter supply contracts with rebate structures, we will notify you of the terms and conditions of the rebates which apply to the Franchised Restaurant.

(f) You are solely responsible for (i) securing your own distribution contracts for the Franchised Restaurant at your sole cost, subject to the terms of the Franchise Agreement and the FOM and (ii) all matters related to such distribution contracts including, without limitation, delivery of approved products, management of inventory at the distribution center, product availability, product pricing, ordering guidelines, distribution logistics, and all other matters related to such distribution contracts.

(g) We may elect, in our sole discretion, to provide limited options for you to participate in certain aspects of the distribution contract(s) for our company-owned RED ROBIN[®] RESTAURANTS and, if so, you may be required to implement certain inventory management procedures, order management procedures, technology solutions, and other supply chain procedures that may be required by us or our distributors in connection with any your participation. You may be required to negotiate your own distribution contracts with distributors, and those contracts may have terms, conditions,

and pricing that are different from our contracts for similar distribution matters. If we elect to enter any distribution contract where you have limited options to participate, then we will notify you of the terms and conditions of the contracts that apply to your Restaurant.

(h) We may elect, in our sole discretion, to create additional supply chain management structures and your participation in these structures may be mandatory or voluntary and subject to other requirements, documents and actions.

To the fullest extent permitted by applicable law, we reserve the right to establish maximum, minimum, or other requirements related to service charges, tariff charges and any other similar surcharges.

Other than as described above, we do not provide material benefits to you based on your use of designated or approved suppliers.

We estimate that 60% to 80% of your initial investment and 60% to 80% of your ongoing expenditures will be directed to purchasing products and services that may require our approval or may be otherwise restricted by us in some manner as determined by us from time to time.

None of our officers own any interest in any approved supplier.

As of the date of this disclosure document, there are no purchasing or distribution cooperatives.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
A. Site selection and acquisition/lease	Section 4.1 in Area Development Agreement. Not Applicable in Area Development Agreement.	Items 8 and 11
B. Pre-opening purchases/leases	Not Applicable in Area Development Agreement. Not Applicable in Franchise Agreement.	Items 5, 7, 8, and 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
C. Site development and other pre-opening requirements	Section 4.1 in Area Development Agreement. Not Applicable in Franchise Agreement.	Items 7, 8, and 11
D. Initial and ongoing training	Section 6.4 in Area Development Agreement. Sections 2.1 through 2.4 and 2.7 in Franchise Agreement.	Item 11
E. Opening	Not Applicable in Area Development Agreement. Sections 2.5 through 2.6 in Franchise Agreement.	Item 11
F. Fees	Sections 2.1 and 3.4 in Area Development Agreement. Sections 3.1 and 3.2 in Franchise Agreement.	Items 5, 6 and 7
G. Compliance with standards and policies/FOM	Sections 6.6 through 6.8 in Area Development Agreement. Sections 4.1 through 4.3 in Franchise Agreement.	Items 8, 11 and 14
H. Trademarks and proprietary information	Sections 6.9 and 6.12 in Area Development Agreement. Sections 7.1 through 7.4 and Section 8.4 of Franchise Agreement.	Items 13 and 14
I. Restrictions on products/services offered	Not Applicable in Area Development Agreement. Section 6.6 in Franchise Agreement.	Items 8 and 16
J. Warranty and customer service requirements	Not Applicable in Area Development Agreement. Sections 6.1, 6.13 and 6.16 in Franchise Agreement.	None.

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
K. Ongoing product/service purchases	Not Applicable in Area Development Agreement. Sections 6.1 and 6.1 in Franchise Agreement.	Item 8
L. Maintenance, appearance and remodeling requirements	Section 1.1(b) in Area Development Agreement. Sections 6.9 through 6.11 in Franchise Agreement.	Item 11
M. Insurance	Section 11.8 in Area Development Agreement. Sections 11.1 through 11.9 in Franchise Agreement.	Items 7 and 8
N. Advertising	Not Applicable in Area Development Agreement. Sections 10.1 through 10.11 in Franchise Agreement.	Items 6, 8 and 11
O. Indemnification	Section 11.2 in Area Development Agreement. Section 16.2 in Franchise Agreement.	Item 6
P. Owner's participation, management, and staffing	Section 6.3 in Area Development Agreement. Sections 6.2 and 6.4 in Franchise Agreement.	Items 11 and 15
Q. Records/reports	Not Applicable in Area Development Agreement. Section 9.1 in Franchise Agreement.	Items 6 and 11
R. Inspections and audits	Not Applicable in Area Development Agreement. Sections 6.12 and 9.5 in Franchise Agreement.	Items 6 and 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
S. Transfer	Article 8 in Area Development Agreement. Article 12 in Franchise Agreement.	Items 6 and 17
T. Renewal	Not applicable	Item 17
U. Post-termination obligations	Section 7.7 in Area Development Agreement. Section 15.3 in Franchise Agreement.	Item 17
V. Non-competition covenants	Section 9.3 in Area Development Agreement. Section 15.3 in Franchise Agreement.	Item 17
W. Dispute resolution	Article 14 in Area Development Agreement. Sections 20.1 through 20.6 in Franchise Agreement.	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your promissory notes, mortgages, leases or other obligations. We do not allow you to grant a security or collateral interest in the Area Development Agreement, Franchise Agreement, the System, and/or the Red Robin Marks.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

1. Pre-opening Obligations.

Before you open the Franchised Restaurant, we may provide the following assistance and services:

a. Under the Area Development Agreement, we may grant a franchise to you or an approved affiliate for the operation of a RED ROBIN® RESTAURANT located within your Territory (See Item 12). (Area Development Agreement – Section 1.1).

b. Provide you with our current site selection guidelines and any other site selection guidance and assistance we may think advisable. We may provide you with our network of real estate brokers who may be able to assist with the development for your RED ROBIN® RESTAURANT in the Territory. You will not be required to use brokers from our existing network, but if you wish to use a broker who is not in our existing network of approved brokers, we must approve any proposed brokers before

you may use their services. We may additionally provide one (1) on-site evaluation for one (1) proposed site for each Restaurant to be developed at no additional charge. If additional on-site evaluations are necessary for any of your proposed sites, or you request additional on-site evaluations, we may require you to reimburse us for reasonable direct expenses we incur for the additional on-site evaluations, such as the cost of travel, lodging, meals and wages. (Area Development Agreement – Section 6.1).

c. Accept your proposed Restaurant site. We may accept or decline a proposed site by delivery of written notice to you. We may deliver such notification to you within 30 days after our receipt of all information required by us. If we fail to respond to your request for site review within the 45-day period, the site will be deemed disapproved (Area Development Agreement – Section 4.1(b)). We do not typically own the site where the Franchised Restaurant is located and lease it to you.

d. Approve your purchase contract or lease. If you will occupy the premises of the Franchised Restaurant under a lease, you must submit a copy of the final lease to us for written approval before you sign it (Area Development Agreement – Section 4.2).

e. Provide you specifications for the Franchised Restaurant, including requirements for dimensions, design, image, interior layout, decor, color scheme, interior decorating services, operating assets, computer system, and designated and approved suppliers for your purchase of all necessary products and supplies (Franchise Agreement – Section 6).

f. Provide you a list of qualified general contractors who have past experience with developing RED ROBIN® RESTAURANTS. If you wish to use a general contractor who is not on our list of qualified general contractors, we may provide you with a list of qualifications and requirements for general contractors, however, we must approve any proposed general contractors before you may use their services (Area Development Agreement – Section 4.3).

g. Provide you with online access to FOM (as described below), which we may revise during the term of the Franchise Agreement (Area Development Agreement - Section 6.6; Franchise Agreement – Section 4.1(d)).

h. Provide you with a list of approved suppliers (Franchise Agreement – Section 6.6).

i. Conduct a manager training program for your Principal Owner, Operating Partner, general manager, kitchen manager, and assistant managers (see description of training below). Some of this training will take place at a RED ROBIN® RESTAURANT that we have certified as a “Certified Training Restaurant” (Franchise Agreement – Sections 2.1(a) and 2.1(b)).

j. Provide New Restaurant Opening Training at the Franchised Restaurant (Franchise Agreement – Section 2.2).

k. Provide to you at cost, advertising and promotional materials developed pursuant to the NAP for your use in the pre-opening promotion of the Franchised Restaurant (Franchise Agreement – Section 10.2).

2. **Post-Opening Obligations.**

We provide the following services and assistance after you open the Franchised Restaurant:

a. Advertising and promotional materials for use in local advertising for the Franchised Restaurant, through the RAP and/or the NAP. We reserve the right to charge you a reasonable amount for the cost of the materials (Franchise Agreement – Sections 10.2 and 10.3).

b. Provide online access to our confidential and proprietary operations manuals (collectively, the “FOM”) relating to the development, operation, and marketing techniques of Restaurants. The FOM contains mandatory specifications, standards and operating procedures we prescribe for RED ROBIN® RESTAURANTS and information relative to your other obligations. The FOM may also consist of one or more separate manuals or handbooks as well as recipe books, videotapes, DVDs, CDs, computer software, and/or other written materials, and other materials and intangibles. We have the right to modify the FOM to reflect changes in products, services, specifications, standards and operating procedures, including marketing techniques, of a RED ROBIN® RESTAURANT. We may periodically change the contents of the FOM and you must adhere to all such changes (Franchise Agreement – Section 4.1(d)). We offer prospective franchisees the opportunity to view the FOM before buying a franchise. As of the date of this disclosure document, the total number of pages in the FOM is 132. Below is the table of contents to the FOM:

SUBJECT	NUMBER OF PAGES
COVER PAGE AND TABLE OF CONTENTS	4
FRANCHISE OPERATION MANUAL	5
RESTAURANT OPERATIONS	35
BUSINESS HEALTH REVIEW	4
LEARNING AND DEVELOPMENT	4
FOOD SAFETY	22
SUPPLY CHAIN	11
EQUIPMENT AND REFRIGERATION	9
FACILITIES AND DESIGN BRAND STANDARDS	9
MARKETING	18
GUEST RELATIONS	4
RESTAURANT TECHNOLOGY	7

c. We prescribe the training for any replacement manager of a RED ROBIN® RESTAURANT. We have the right to assess you reasonable charges for this training. We have the right to require that you (or a Principal Owner), the Operating Partner, any manager or assistant managers, and any other previously trained employees attend supplemental and refresher training programs during the term of the Franchise Agreement, to be furnished at a time and place we designate. We also have the right to assess you reasonable charges for any supplemental and refresher training programs. If you request the additional training, we require you to pay our reasonable expenses in providing the training (Franchise Agreement – Section 2.1(k)).

d. We may advise you regarding the Franchised Restaurant’s operations based on reports that you submit to us or inspections made by us. We may evaluate the Franchised Restaurant and the products and services provided to ensure that you maintain the highest standards of quality, service and health and safety compliance with announced and unannounced evaluations (Franchise Agreement – Section 9.5).

e. Administer the NAP, and, if implemented, a RAP and any regional cooperatives we may establish (Franchise Agreement – Sections 10.2 and 10.4).

3. **Time Prior to Opening.**

If you sign a Franchise Agreement under an Area Development Agreement, you must open the Franchised Restaurant within the time stated in the Development Schedule. Franchisees typically open their restaurants within 180 days after the Effective Date of the Franchise Agreement. Factors that affect this time include: your ability to obtain a lease and the proper building permits; your ability to acquire a liquor license; zoning and local ordinances; weather conditions; and delayed installation of equipment, fixtures, and signs.

4. **Advertising.**

We currently maintain and administer a national advertising fund (“NAF”) and a cooperative advertising program (“CAP”) for the purpose of maintaining, administering, directing, and preparing advertising, public relations, and promotional activities for the benefit of the System, including, without limitation, the activities referenced below. In the future, we may utilize (and, we may require you to participate in) a National Advertising Program (or, NAP), a Regional Advertising Program (or, RAP) and/or a Local Advertising Program (or, LAP) and your fees to the NAP, RAP, and/or LAP will not exceed the Maximum Advertising Obligation as referenced below. We may require you to participate in the NAF and CAP or we may require you to participate in the NAP, RAP, and/or LAP, in addition to other supplemental marketing programs. In fiscal year 2024, 39% of the CAP and NAF was used for media placement, 24% for production/PR/social media, 16% for loyalty/digital platforms and 21% for administrative expenses. Currently, our company-owned restaurants located in the United States of America contribute to the NAF and CAP on the same basis as existing franchisees.

a. **Maximum Advertising Obligation.** The aggregate amount of the NAP Fee, RAP Fee, and/or LAP Fee will not exceed four percent (4%) of the Gross Sales of the Franchised Restaurant (the “Maximum Advertising Obligation”). The NAP Fee, RAP Fee, and LAP Fee are collectively referenced as the “Advertising Fees”.

b. **National Advertising Program.** We may require you to participate in a National Advertising Program (or, NAP). We are responsible for maintaining and administering the NAP.

(i) We are solely responsible to direct all advertising, production, media placement, marketing and public relations programs and activities undertaken by the NAP with sole discretion over the strategic direction, creative concepts, materials and endorsements used by the NAP and sole discretion over the geographic, market, and media placement and allocation of NAP Fees. We will have sole responsibility to direct the NAP to provide you with reasonable quantities of approved advertising, marketing, and promotional materials at cost (i.e., with no additional markup for general, administrative, and overhead costs). You acknowledge that our standards, specifications, and decisions in all aspects of these programs (including without limitation, the type, quantity, timing, placement, choice of media, market areas, advertising and public relation agencies) are final and binding on you with respect to the NAP.

(ii) The NAP may be used by us for the purpose of maintaining, administering, directing, and preparing advertising, public relations, and promotional activities for the benefit of the System, including, without limitation, the activities set forth below:

- (1) preparation of, and payment for, marketing, consumer, public relations, and guest engagement research and studies;
- (2) preparation of, and payment for, television, radio, magazine, newspaper, website, and social media advertising campaigns;
- (3) preparation of, and payment for, creative design services;
- (4) payment for direct mail and outdoor billboard advertising;
- (5) printing and distribution costs;
- (6) production, preparation and payment of marketing materials, advertising copy, and commercials;
- (7) payment of tracking costs, agency fees, customer relationship management costs, engagement marketing costs, and similar costs;
- (8) implementation of, and payments for, public relations activities;
- (9) creation of training materials and other branding materials;
- (10) retention of, and payments to, advertising agencies;
- (11) implementation of, and payments for, marketing sponsorships;
- (12) internet marketing and communications;
- (13) monitoring and maintenance of social media and social networking sites;
- (14) search engine optimization and similar marketing optimization activities;
- (15) implementation of social media influencer campaigns and similar marketing stunts;
- (16) creation and implementation of marketing sweepstakes and contests;
- (17) implementing and administering guest loyalty (a/k/a royalty) programs;
- (18) maintenance and administration of approved website(s) for the System;
- (19) maintenance and administration of approved mobile application(s) for the System;
- (20) creation of targeted local advertising programs including micro-market targeting programs and similar targeted local advertising programs;
- (21) costs incurred by us for personnel and other departmental costs that are administered or prepared internally by us;
- (22) other expenditures for marketing activities deemed necessary or appropriate by us, as determined by us in our sole discretion, to advertise, promote and market RED ROBIN[®] RESTAURANTS regionally or nationally; and

(23) all other similar activities typically undertaken by similar national advertising and promotional funds and all as determined by us in our sole discretion.

(iii) On or before the fifteenth (15th) day of each Accounting Period, you must pay to us a continuing monthly advertising fee in an amount up to or equal to four percent (4%) of Gross Sales (the “NAP Fee”). Subject to the Maximum Advertising Obligation, the NAP Fee will be determined by us in our sole discretion from time-to-time during the term of the Franchise Agreement. We may increase the NAP Fee at any time upon ten (10) days prior notice to you (subject to the Maximum Advertising Obligation) and, in such event, the increased NAP Fee will be due each Accounting Period after receipt of such notice.

(iv) You agree that the NAP Fees may be used to pay various costs and expenses, including costs incurred by us for personnel and other departmental costs for advertising that is administered or prepared internally by us, costs incurred by us for other marketing activities undertaken by us; provided that salary expenses for our personnel paid by the NAP must be commensurate with the amount of that time spent by such personnel on NAP matters. You agree to participate in all advertising, marketing, promotions, research and public relations programs instituted by the NAP.

(v) Upon receipt by us, NAP Fees are our sole and absolute property. We will account for NAP Fees as separate funds received in the ordinary course of business, but we will not be required to segregate NAP Fees from other funds.

(vi) We will not use NAP Fees to defray our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration and activities of the NAP and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the NAP.

(vii) We may spend in a fiscal year an amount greater or less than the aggregate contributions of all RED ROBIN[®] RESTAURANTS to the NAP in that year. The NAP may borrow from us or other lenders at standard commercial interest rates to cover deficits of the NAP or cause the NAP to invest any surplus for future use by the NAP. We reserve the right to cause the NAP to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all the same rights and duties as we have with respect to the NAP.

(viii) We will provide an annual, unaudited statement of the operations of the NAP, at the NAP’s expense, and the statement will be made available to you upon your request.

(ix) We may have the NAP audited annually, at the NAP’s expense, by an independent certified public accountant. We reserve the right to cause the NAP to be incorporated and/or operated through a separate, successor entity upon thirty (30) days prior written notice to you and, in such event, such entity will have the same rights and duties as we have with respect to the NAP. We reserve the right to terminate the NAP as determined by us in our sole discretion; provided that all NAP Fees must be expended for advertising and/or promotional purposes as referenced above.

(x) You acknowledge that the NAP is intended to maximize recognition of the Marks, the System and RED ROBIN[®] RESTAURANTS generally. Although we will attempt to use the NAP to develop advertising and marketing materials and programs, and to place advertising in order to benefit RED

ROBIN[®] RESTAURANTS we do not have obligation to ensure that expenditures by the NAP in or affecting any geographic area are proportionate or equivalent to the contributions to the NAP by RED ROBIN[®] RESTAURANTS operating in that geographic area or that any RED ROBIN[®] RESTAURANTS will benefit directly or in proportion to its contribution to the NAP from the development of advertising and marketing materials or the placement of advertising. We may use the NAP to promote any type of RED ROBIN[®] RESTAURANTS in the System. You acknowledge that any failure to derive any such benefit will not serve as a basis for a reduction or elimination of NAP Fees. You further agree that the failure (whether with or without our permission) of any other franchisee to make the appropriate amount of contributions to the NAP will not in any way release or reduce your obligations with respect to the NAP, which are being your separate and independent obligations under the Franchise Agreement.

(xi) Except as expressly set forth in the Franchise Agreement, we do not have any direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the NAP. We may at any time, upon thirty (30) days' prior written notice to you, reduce or suspend the NAP (including, without limitation, NAP Fees) and operations for one (1) or more periods of any length and terminate (and, if terminated, reinstate) the NAP; provided that we will not terminate the NAP until all monies contributed to the NAP have been expended for advertising, public relations, or promotional purposes, or distributed to the contributors in proportion to their respective NAP contributions during the preceding twelve (12) month period.

c. Regional Advertising Program. We may require you to participate in a Regional Advertising Program (or, RAP). We are responsible for maintaining and administering the RAP.

(i) We reserve the right, in our discretion, to designate any geographical area (e.g., an area of dominant influence or "ADI") as a region for purposes of establishing a ("RAP").

(ii) A RAP may be composed of one or more RED ROBIN[®] RESTAURANTS operated by us and/or one or more RED ROBIN[®] RESTAURANTS operated by you (and/or its parent company or affiliates) and/or other franchisees. If a Regional Advertising Program has been (or, is) established for the geographic area where the Franchised Restaurant is located, then you must become a member of such Regional Advertising Program.

(iii) The Regional Advertising Program will be organized, governed, and operated in accordance with written guidelines prepared and approved in advance by us (the "RAP Guidelines"), and we will maintain and administer advertising programs in the geographic area where the Franchised Restaurant is located in accordance with the RAP Guidelines. No advertising or promotional plans or materials may be used by the Regional Advertising Program or furnished to its members without our prior written consent. We will direct all advertising and production programs in the Regional Advertising Program, and we will have sole responsibility for all advertising, marketing, and/or promotional materials used in connection with the Regional Advertising Program all as determined by us in our sole discretion.

(iv) In the event we require you to participate in the Regional Advertising Program, then (and on or before the fifteenth (15th) day of each calendar month), you must pay to us a continuing monthly advertising fee in an amount up to or equal to four percent (4%) of Gross Sales (the "RAP Fee"). Subject to the Maximum Advertising Obligation, the RAP Fee will be determined by us in our sole discretion from time-to-time, but it will not exceed four percent (4%) of Gross Sales.

(v) The RAP may be used by us for the purpose of maintaining, administering, directing, and preparing advertising, public relations, and promotional activities for the benefit of the

System, including, without limitation, the activities set forth above with respect to the NAP. The RAP Fee will be used exclusively by us in connection with any and all costs incurred in connection with the Regional Advertising Program including, without limitation, (a) maintaining, directing, and preparing advertising materials such as the preparation and coordination of television, radio, magazine, direct mail, and newspaper advertising campaigns, outdoor billboard advertising; marketing surveys and other public relations activities; (b) the employment of advertising agencies to assist in the Regional Advertising Program; (c) the preparation and distribution of promotional brochures and other marketing materials in connection with the Regional Advertising Program; (d) the cost of developing and maintaining any website(s) related to the Regional Advertising Program; (e) reasonable administrative costs and overhead incurred by us in activities reasonably related to the administration or direction of the Regional Advertising Program; and (f) such other items as may be set forth in the RAP Guidelines.

(vi) In the event the RAP Fee is set by us at an amount less than four percent (4%) of Gross Sales, then we may require you to spend an amount equal to the difference between the actual RAP Fee and four percent (4%) of Gross Sales on local advertising.

(1) Within 15 days after the expiration of each fiscal quarter, you must submit to us written documentation to show that you have met your spending obligation. In the event you do not meet your spending obligation and/or in the event you fail to spend the required amount on local advertising approved by us for the benefit of the Franchised Restaurant, then we may require you to pay the shortfall to us as a contribution to the NAP or RAP (as applicable) and/or we may spend such funds on local advertising for the Franchised Restaurant.

(2) You must submit to us such other statements or reports as may be reasonably required by us in connection with the Regional Advertising Program.

(vii) We, in our sole discretion, may exclude RED ROBIN[®] RESTAURANTS operated by us from the Regional Advertising Program and we may grant to you (or, any other franchisee in the Regional Advertising Program) an exemption for any length of time from the requirement of membership in the Regional Advertising Program, upon written request stating reasons supporting the exemption. We may require as a condition of granting the exemption that you comply with other provisions of the Franchise Agreement; and spend additional amount on local advertising. Our decision concerning such request for exemption is final.

d. Local Advertising Program. We may require you to participate in a National Advertising Program (or, NAP). We are responsible for maintaining and administering the NAP. In addition to the NAP Fee and/or RAP Fee (as applicable, and otherwise subject to the Maximum Advertising Obligation), You agree to spend a percentage of the Gross Sales on (RRI-approved) local advertising during each calendar quarter (the "LAP Fee"). Subject to the Maximum Advertising Obligation, the LAP Fee may be determined by us in our sole discretion from time-to-time. We may increase the LAP Fee at any time upon ten (10) days prior notice to you (subject to the Maximum Advertising Obligation) and, in such event, the increased LAP Fee must be spent each Accounting Period after receipt of such notice. All local advertising (including the proposed schedule for expenditure of such local advertising fees) is subject to our prior written approval in our sole discretion. On or before the fifteenth (15th) day after each calendar quarter, you must provide us with an accurate accounting of local advertising expenditures and marketing activities during the immediately preceding calendar quarter. You must provide us with other periodic reports and records of local advertising upon request. And we reserve the right to audit your local advertising expenditures and marketing activities. In the event the NAP Fee, RAP Fee, and/or LAP Fee are

less than the annual Maximum Advertising Obligation, we reserve the right to require you to contribute an amount equal to such shortage to the NAP or RAP as applicable.

e. Your Separate Website. You acknowledge and agree that any website will be deemed “advertising” under the Franchise Agreement. Further, you cannot establish a separate website unless approved by us in writing as determined by us in our sole discretion and otherwise subject to our standards as set forth in the FOM or other written guidelines established by us.

(i) In the event you intend to establish a separate website, then you must submit to us, a sample of the proposed website including domain name, format, visible content, screen shots, non-visible content (including, but not limited to, meta tags), and such other items (and in the form and format) we may require.

(ii) In the event such website is approved by us (as determined by us in our sole discretion), then you must use such website in strict accordance with our approval and the FOM and not thereafter modify website without our prior written approval as to such proposed modification.

(iii) We reserve the right to designate one or more web page(s) to describe you and/or the Franchised Restaurant, with such web page(s) to be located within our website.

(iv) You must comply with our standards and specifications for websites as prescribed from time to time in the FOM or otherwise in writing. You must establish hyperlinks to our website (and other websites) as we may require in the FOM or otherwise in writing. We may revoke our approval of your separate website at any time and require that you immediately discontinue use of a separate website.

f. Social Media and Social Networking. Your use of any social networking websites (such as LinkedIn®, X®, TikTok, Facebook®, Instagram®, or YouTube®) constitutes “advertising” under the Franchise Agreement and any such use (including, without limitation, the posting of messages or other content) requires our prior written approval (as determined by us in our sole discretion) and is otherwise subject to our standards as set forth in the FOM or other written guidelines established by us. We reserve the right of prior written approval of any message, commentary, or content that you intend to post on a social networking website, and you cannot post any such message, commentary, or comment without our prior written approval.

g. Internet Search Engines. You must list and advertise the Franchised Restaurant on all major Internet search engines (for example, Google Review, Apple Review, etc.) and all major Internet consumer review websites (for example, Yelp, etc.).

h. Administration of Advertising Programs. We reasonably anticipate that the NAP Fee will be expended for advertising and/or promotional purposes as described herein during our fiscal year within which such fees are received. In the event excess amounts remain in such advertising programs at the end of such fiscal year, then all expenditures in the following fiscal year(s) will be made first out of accumulated fees from previous years and then from fees collected during the current year. The advertising programs and funds are operated as a conduit for the collection and expenditure of advertising fees.

i. Advertising Standards and Approval. All advertising and promotion by you in any medium must be conducted in a dignified manner and must conform to our standards and requirements as set forth in the FOM or otherwise. You must obtain our prior written consent to all advertising and promotional

plans and materials that you desire to use which have not been prepared or previously approved by us within one (1) year.

(i) You must not use any advertising, marketing, and/or promotional materials in connection with the Franchised Restaurant unless such materials have been approved by us in writing. You must submit any unapproved advertising, marketing, and/or promotional materials to us. You must not use advertising materials until they have been approved by us and must promptly discontinue use of any advertising, marketing, and/or promotional materials upon notice from us.

(ii) This applies to the distribution and display of advertising, marketing, and/or promotional materials in any medium including, without limitation, print, radio, television, internet, website, social media, and any other media or channel.

j. Internet and Electronic Commerce. You must not advertise the Franchised Restaurant over the Internet (or any other form of electronic commerce and/or electronic media) without our prior written consent. You must not use the Marks over the Internet (or any other form of electronic commerce and/or electronic media) without our prior written consent. You must not develop, create, establish, and/or use any website or other electronic media which uses, and/or creates any association with, the System and/or the Marks (including any abbreviation, acronym, phonetic variation, or visual variation).

(i) All domain names using, and/or creating any association with, the System and/or the Marks (including any abbreviation, acronym, phonetic variation, or visual variation) must be registered in our name. We may grant to you a non-exclusive license to use domain name(s) selected by us for your use in accordance with the Franchise Agreement. You must not register any domain name in any class or category that uses or creates any association with the System and/or Marks (including any abbreviation, acronym, phonetic variation, or visual variation) without our prior written consent.

(ii) Any consent by us for you to develop, create, establish, advertise, register, and/or use any of the Marks over the Internet (or any other form of electronic commerce and/or electronic media) subject to certain conditions including, without limitation, requirements as to form, content, and appearance; requirements of a hypertext link to our website(s); prohibitions on hypertext links to third-party websites; and other requirements, restrictions, and prohibitions deemed necessary by us.

(iii) On termination or expiration of the Franchise Agreement or in the event you fail to comply with the Franchise Agreement we reserve the right (in addition to our other rights and remedies hereunder) to revoke our consent to your development, creation, establishment, advertisement, registration, and/or use any of the Marks over the Internet or any other form of electronic commerce and/or electronic media (including, without limitation, website(s) and domain names) and, in such event, you must immediately cease all such activities and immediately take all actions reasonably required to disassociate from all such activities.

k. Supplemental Marketing Programs and Application(s). You acknowledge that (i) supplemental marketing programs (e.g., limited time offers, gift cards, gift certificates, coupons, loyalty programs, customer relationship management, and other supplemental marketing programs) are an integral part of the System and (ii) you are required to participate in (and comply with) such supplemental marketing programs established by us from time-to-time. You acknowledge you may be responsible for the payment of certain costs associated with these supplemental marketing programs and that any such costs are not subject to the Maximum Advertising Obligation.

(1) We reserve the right to establish (and set forth the terms and conditions of) such supplemental marketing programs through (A) a supplement and/or modification to the FOM or (B) a standard supplemental marketing program agreement which you agree to sign, if so requested by us.

(2) You acknowledge that we have developed a guest loyalty (a/k/a royalty) program and you are required to participate in (and comply with the terms and conditions of) our guest loyalty (a/k/a royalty) policy as amended or modified by us from time-to-time and any such costs associated with the guest loyalty (a/k/a royalty) program must be paid by you and are not subject to the Maximum Advertising Obligation.

(3) You acknowledge that we have developed a gift card program and you are required to participate in (and comply with the terms and conditions of) our gift card policy as amended or modified by us from time-to-time and any such costs associated with the gift card program must be paid by you and are not subject to the Maximum Advertising Obligation.

(4) You acknowledge that we have developed a mobile application (and may develop similar applications in the future) and you are required to integrate with, participate in, and comply with the terms and conditions of our mobile application usage policy as amended or modified by us from time-to-time and any such costs associated with the mobile application policy must be paid by you and are not subject to the Maximum Advertising Obligation.

1. Other Advertising Matters. We may modify, revise, update, supplement, and/or terminate the NAP, RAP and/or LAP at any time for any reason upon 30 days' notice to you. However, we will not terminate the NAP, RAP, and/or LAP until all monies contributed to such programs have been expended for advertising, public relations, promotional purposes, other permitted uses, or returned to contributing franchisees and to us on the basis of our respective contributions. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the NAP in that year. We may arrange for loans to, or for the benefit of, the NAP by third parties and we may make loans to the NAP bearing reasonable interest to cover any deficits of the NAP and cause the NAP to invest any surplus for future use by the NAP. Franchisor will not use funds from either the NAP or RAP principally for soliciting sales of franchises. We periodically consult with current franchisees who are members of a franchise advisory board regarding various matters, including advertising activities.

5. Computer Hardware and Software.

We require that you purchase and use the following hardware, software and IT services.

a. POS System. You will, at your sole cost, install and maintain a computerized point-of-sale system (the "POS System") at the Franchised Restaurant and such POS System will be subject to our prior written approval. We reserve the right to require you to install and maintain a POS System designated by us, at your sole cost. We also reserve the right to require you to replace your existing POS System at the Franchised Restaurant with a POS System designated by us and, in such event, we will give you a minimum of two (2) years to replace your then existing POS System with a POS System designated by us all at your sole cost.

b. FOH and BOH Software Systems. You cannot install any back-of-house ("BOH") software system, front-of-house ("FOH") software system, or any other software systems in the Franchised Restaurant without our prior written approval. We may require you to install and maintain a BOH software system designated by us and/or FOH software system designated by us, all at your sole cost. We also reserve the right to require you replace your existing FOH and/or BOH software systems at the Franchised

Restaurant with system(s) designated by us and, in such event, we will give you a minimum of two (2) years to replace your then existing system with a FOH and/or BOH software system designated by us, all at your sole cost.

c. Hardware Requirements. You cannot install any computer hardware without our prior written approval. We may require you to install and maintain specific computer hardware designated by us, at your sole cost.

d. Other Hardware and Software Items. We may, from time-to-time and at our option, make available to you, at a reasonable cost to be paid by you to us (or other third-party(ies) designated by us), software systems and/or hardware equipment related to FOH operations, BOH operations, point-of-sale systems, and other software systems and/or hardware equipment. You will be required to execute such documents related to the licensing of the software and register systems as we may reasonably require and to pay any licensing fees, installation costs, maintenance costs, and any other fees and costs associated with these systems. We reserve the right to access the information generated by your computer system related to the operation of the Franchised Restaurant.

Neither we nor any affiliate have an ongoing obligation for maintenance, repairs, upgrades, or updates to the above-listed systems. You will contract with third parties for ongoing maintenance, repairs, upgrades or updates. You must install all updates and releases to software within the time periods we specify. There are no contractual limitations on the frequency and cost of upgrades or updates.

We estimate that the required and recommended computer hardware and software will cost between \$110,000 to \$195,000 per site plus an estimated reoccurring annual cost of \$75,000 to \$125,000 including required support contracts. We cannot estimate the annual cost for updates and upgrades that are not included in annual support contracts. You must obtain our written approval; should you wish to deviate from the required computer hardware and software requirements.

The tables below show current specifications for mandated (and, non-mandated) technology solutions. Currently, all hardware, software, and communications systems must be compliant with PCI standards DSS 4.01 or such other standards as we may prescribe. We may update, revise, and/or supplement these specifications for such technology solutions from time-to-time in our sole discretion.

Mandated Technology Solutions Overview Technology Requirement & Definition	Vendor & Product
<p>Point-of-Sale</p> <p>A Point of Sale (POS) system is the combination of hardware and software that a business uses to complete sales transactions with customers. It's essentially where a customer pays for products or services. The POS systems is a core system that integrates with kitchen systems, online ordering platforms, loyalty programs, and payment solutions. POS Version Requirement – Must always maintain same version as Franchisor.</p>	Aloha/NCR Voyix
<p>KDS system (Kitchen Display System)</p> <p>A KDS System is a digital screen used in restaurant kitchens to manage and display customer orders. Instead of printing tickets on a physical printer,</p>	Aloha/NCR Voyix

Mandated Technology Solutions Overview Technology Requirement & Definition	Vendor & Product
<p>orders are sent directly from the POS (Point of Sale) system to the KDS screen, where kitchen staff can view and track them in real-time.</p> <ul style="list-style-type: none"> • Displays orders electronically as soon as they're entered into the POS • Organizes items by prep station (e.g., hotside, coldside, sauté) • Tracks order timing, helping kitchens meet speed-of-service expectations. • Highlights modifiers or special requests (e.g., allergies, no onions) • Color codes or prioritizes orders based on how long they've been active. • Reduces paper waste and improves accuracy over traditional kitchen printers 	
<p>Online Ordering – Backend</p> <p>The Online Ordering platform is the link between our ordering site and the point-of-sale. This platform you will manage menu, payments & promotions for the digital space.</p> <ul style="list-style-type: none"> • Online Ordering Platform: Olo is an online ordering system that allows restaurants to manage digital orders from various channels, including their own websites, apps, and third-party marketplaces. • Dispatch (Delivery Management): Olo's Dispatch service enables delivery by connecting our restaurants with third-party courier services. This allows for delivery options without managing their own fleet of drivers. • Rails: Rails integrates with third-party marketplaces like DoorDash & UberEats, allowing restaurants to increase their visibility and receive orders from multiple sources. 	Olo
<p>Card Processor</p> <p>A credit card processor is a company or service that handles credit and debit card transactions between your business, your customer's bank, and your bank. This service will work in conjunction with the POS and digital platforms to collect payment from a guest.</p>	WorldPay
<p>Loyalty Engine</p> <p>A digital system used for guest engagement enabling increased visit frequency and maximize spend. This product will integrate directly with the point-of-sale and digital platforms interfacing directly with guests and team members.</p>	Punchh
<p>Guest Survey Platform</p> <p>A software platform used collect feedback from their customers or guests. Through POS receipts, table-top device or web application we engage</p>	Service Management Group

Mandated Technology Solutions Overview	Vendor & Product
Technology Requirement & Definition	
our guests to gather feedback on service, food quality and overall experience. This data is used to re-engage guests and drive business decisions.	

Non-Mandated Technology Solutions Overview	Vendor & Product
Technology Requirement & Definition	
Table Management A digital tool used at the host stand to help staff optimize table turns and reduce wait times. Enabled through a mobile tablet this product supports operational execution through waitlist management and guest seating optimization.	DineTime
To-Go Bag Labels Used in conjunction with the Kitchen Display System this product supports off-premise execution and accuracy. Print outs on sticky paper are attached to both individual containers and order bags to capture item details for team member and guest.	Sticky Media / Epson L100
Tabletop Kiosk A tabletop tablet designed to enhance service efficiencies and support an optimized guest experience with the following functionality: <ul style="list-style-type: none"> • Browse the menu and place food and drink orders. • Play games and view entertainment content. • Pay at the table using credit/debit cards or mobile payment options. • Split checks and add tips. • Print receipts directly from the device. • Provide feedback through post-meal surveys. 	Tabletop Media (Ziosk)
Server Handhelds A mobile device or tablet used by service team members to take guest orders. This is a tableside / mobile extension of the POS that enable our service model.	NCR/Voyix

Non-Mandated Technology Solutions Overview Technology Requirement & Definition	Vendor & Product
Backoffice Inventory Management <p>A comprehensive platform designed to optimized back-of-house operations. A vital tool that helps control cost of goods while maintain food quality. Key functions of the platform include:</p> <ul style="list-style-type: none"> • Recipe Management • Item Ordering • Sales Forecasting • Food Preparation Guidance • Reporting & Analytics 	NCR/Voyix
Labor Management <p>A labor management platform (such as HotSchedule) assists with employee scheduling, labor forecasting, and time & attendance tracking. Through an optimized tool we control costs while ensuring we have the appropriate staffing to meet our standards of service.</p>	HotSchedules

6. Training

a. We will provide the Principal Owner, Operating Partner, "Managers" (i.e., managing partner, general manager, kitchen manager, assistant managers, or any other managers at the Franchised Restaurant), and (RRI-approved) key operating employees with training programs for operation of the Franchised Restaurant in accordance with the Franchise Agreement and the FOM (collectively, the "Training Programs").

b. You are responsible for all costs and expenses of such Training Programs which are due and payable to us within thirty (30) days after receipt of invoice. Subject to our approval, you may invite additional employees to attend the Training Programs; provided we reserve the right to limit attendance at the Training Programs and we reserve the right to charge additional training fees for such additional employees.

c. We reserve the right to require all Training Programs to occur at restaurant(s) designated by us in our sole discretion. Subject to our approval, you may also request that we provide certain portion(s) of the Training Programs at the Franchised Restaurant, and we will determine whether to provide such portion(s) of the Training Programs at the Franchised Restaurant in our sole discretion. If we provide any portion of the Training Programs at the Franchised Restaurant, then we reserve the right to charge our then-current training fee, plus any travel and living expenses for the trainers sent by us to the restaurant for such training programs.

d. The Training Programs are set forth in the FOM and consist of such programs as Management Foundations Training and Team Member Foundations Training, in addition to any other training programs set forth in the FOM. The Training Programs are subject to change without prior notice

due to updates in the FOM and updates in materials, methods, manuals and personnel. You must provide at least six (6) weeks prior written notice to us regarding your desire to attend the Training Programs including the names and contact information for the proposed trainees.

e. All approved trainees must commence the Training Programs no later than nineteen (19) weeks prior to the Franchised Restaurant's scheduled opening date. If more than ninety (90) days pass between the successful completion of the Training Programs by the Managers and such opening date, then we may require your Managers to attend additional training at Franchisee's cost and expense.

f. We have operations and training teams that we typically use for training restaurant managers for our company-owned restaurants. We will generally use these teams to train all Managers that participate in the Training Programs. However, we will determine the identity and composition of the trainer(s) conducting all portions of the Training Programs in its sole discretion, and our training teams are subject to change without prior notice in our sole discretion.

g. You are solely responsible for all costs and expenses of the Training Programs including, without limitation, payment to us for training costs, compensation costs, travel, airfare, lodging, meals, and all other similar costs, compensation paid to your employees, travel, lodging, meals, living expenses, and all other similar costs and expenses related to such Training Programs.

h. We reserve the right to stop and discontinue the Training Programs at any point if the Managers or other designated team members are not progressing to our satisfaction. We will determine whether the Managers and Operating Partners in training are qualified to remain in training based on their performance while attending the training, and such Managers and Operating Partners must complete the Training Programs to our satisfaction.

i. We acknowledge that our determination that a Manager or Operating Partner has successfully completed the training curriculum is not a representation or warranty of any kind, express or implied that such individual will successfully perform his or her duties at the Franchised Restaurant.

j. In the event the Franchised Restaurant has been designated by us as a "Certified Training Restaurant" (or, CTR) in accordance with the requirements in the FOM (or such other requirements designated by us), then we reserve the right to review this designation on an ongoing basis and reserve the right to remove such designation in the event the Franchised Restaurant no longer satisfies the CTR requirements.

k. We may deliver training reports to you from time-to-time and those training reports may include recommendations for correcting any deficiencies in your training programs at the Franchised Restaurant. In such event, you must follow such recommendations by incorporating such additional training and training personnel into your training program at the Franchised Restaurant.

l. In the event of any change to the Managers or Operating Partner (e.g. resignation, termination, disability, death, etc.), then you are required to identify, hire, and have the successor manager complete the Training Programs within one hundred eighty (180) days following such event. Each successor Manager or Operating Partner must successfully complete the required Training Programs. Your failure to require such personnel to attend and successfully complete the Training Programs to our satisfaction in a timely manner constitutes a material default under the Franchise Agreement.

m. In connection with the opening and initial operations of the Franchised Restaurant, the Training Programs may also include New Restaurant Opening (or, NRO) Training. The NRO Training is set forth in the FOM and typically consists of a minimum of seven (7) days of training commencing prior to opening. We will determine the nature and extent of the NRO Training, in our sole discretion, based upon our assessment of management team at the Franchised Restaurant.

n. You are responsible for all costs and expenses of the NRO Training including, without limitation, payment to us for training costs, compensation costs, travel, airfare, lodging, meals, and all other similar costs, compensation paid to your employees, travel, lodging, meals, living expenses, and all other similar costs and expenses related to the NRO Training. We may provide a credit against such NRO Training costs in an amount determined by us from time-to-time.

o. We may, at our option, elect to provide on-site supervision and assistance prior to opening of the Franchised Restaurant which may include, at your expense, an opening crew and otherwise subject to the availability of such opening crew and all as more particularly set forth in the FOM.

As of the date of this Disclosure Document, we provide the following initial training:

TRAINING PROGRAMS

Manager in Training (MIT) Program

Subject	Hours of Classroom Training	Hours of On-the-job Training¹	Location²
Core Program	0	400	EL, OJT

Team Member Foundations Training Program

Subject	Hours of Classroom Training	Hours of On-the-job Training¹	Location²
Server	0	30	EL, OJT
Bartender	0	41	EL, OJT
Busser	0	11	EL, OJT
Host	0	15	EL, OJT
To-Go Specialist	0	15	EL, OJT
Expo	0	23	EL, OJT
Line Cook Hot Side	0	24	EL, OJT
Line Cook Cold Side	0	23	EL, OJT

Subject	Hours of Classroom Training	Hours of On-the-job Training ¹	Location ²
DMO	0	12	EL, OJT

The training hours devoted to each position are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject, and scheduling. On-the-job training includes hands on practice with all tasks and responsibilities for a given position.

Key: EL=E-learning; and OJT = On the job Training

Our Vice President of Learning & Development, Jared Kulka, will oversee all Training Program Content. Mr. Kulka has been with RED ROBIN since May 2006 and has over 19 years of experience in the areas taught. The training materials are electronic based and are accessible via an iPad and generally consist of videos and written materials.

In connection with the opening and initial operations of the Franchised Restaurant, the Training Programs may also include New Restaurant Opening (or, NRO) Training. The NRO Training is set forth in the FOM and typically consists of a minimum of seven (7) days of training commencing prior to opening. We may determine the nature and extent of the NRO Training, in our sole discretion, based upon our assessment of management team at the Franchised Restaurant (Franchise Agreement - Section 2.2).

ITEM 12

TERRITORY

Area Development Agreement

The Area Development Agreement grants you certain rights (as described below) to develop more than one (1) Restaurant within a designated geographic area (the “Territory”) set forth in the Area Development Agreement. The boundaries of the Territory will be described by map coordinates, city limits, counties, states, or other boundaries when appropriate, or by an area encompassed within a circle having a radius of a specific length. We may determine in our discretion the Territory we offer to you before you sign the Area Development Agreement based on various market and economic factors. The Term of the Area Development Agreement expires on the first to occur of (i) a specific date set forth in the Area Development Agreement or (ii) date on which the last Restaurant required by this Development Schedule is open and operating. When the Area Development Agreement expires or terminates, your right to use the System will be limited to those Restaurants operating under Franchise Agreements you have entered into with us before the expiration or termination of the Area Development Agreement.

If you comply with your obligations under the Area Development Agreement and all your Franchise Agreements, we will not establish, or license others to establish, RED ROBIN® RESTAURANTS within your Territory during the Term of the Area Development Agreement, except for the rights reserved below. If you fail to satisfy your obligations under the Development Schedule, your failure will be a material breach of the Area Development Agreement, which may result in our terminating the Area Development Agreement.

Under the Area Development Agreement, we reserve right to do all the following:

- (1) establish and operate, and allow others to establish and operate, other RED ROBIN[®] RESTAURANTS at any location outside your Territory;
- (2) establish and operate, allow others to establish and operate, or acquire the ownership interests or assets of another business that establishes or operates, any business using trade names, trademarks, service marks and commercial symbols other than the Marks;
- (3) establish, and allow others to establish, other distribution channels (including, but not limited to, the internet, social media, websites, retail stores, and supermarkets) wherever located or operating and regardless of the nature or location of the customers, with whom such other distribution channels do business, that operate under the Red Robin Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from RED ROBIN[®] RESTAURANTS, and that sell products and/or services that are identical or similar to, and/or competitive with, those that RED ROBIN[®] RESTAURANTS customarily sell;
- (4) offer and sell, and allow others to offer and sell, any of the food and beverage services and products that are offered by RED ROBIN[®] RESTAURANTS, at or through any quick-service restaurants, fast-casual restaurants, ghost kitchens, dark kitchens, cloud kitchens, execution kitchens, preparation kitchens, container kitchens, concession trailers, food trucks, and any similar food-preparation operations under the Marks or other trademarks and service marks;
- (5) offer and sell, and allow others to offer and sell, any of the food and beverage services and products that are offered by RED ROBIN[®] RESTAURANTS at or through any nontraditional venues, including, without limitation, permanent, temporary, or seasonal food service facilities in any stadium, entertainment or amusement park, airport, highway travel plaza, museum, university, elementary or secondary school, office or commercial building, hospital, military facility, or special events, under the Marks or other trademarks and service marks;
- (6) acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more restaurants or food-service businesses, notwithstanding the fact that such restaurants may be the same as or similar to RED ROBIN[®] RESTAURANTS; and in the event of such an acquisition, we or our affiliates (as applicable) will have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept;
- (7) be acquired by a business, even if such business operates, grants franchises or licenses for the operation of restaurants which may be the same as or similar to RED ROBIN[®] RESTAURANTS; and in the event of such an acquisition, the acquirer and its affiliates (as applicable) will have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept; and

- (8) engage in all other activities not expressly prohibited by the Area Development Agreement.

We are not required to pay you if we exercise any of the rights specified above inside your Territory. You are not granted any options, rights of first refusal or similar rights to acquire additional development rights or to expand your Territory under the Area Development Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Franchise Agreement

The Franchise Agreement grants you the right to operate a RED ROBIN[®] RESTAURANT at a single location (the “Approved Location”) that you select, and we approve. You must operate the Franchised Restaurant only at the Approved Location. You may not establish or operate another Restaurant unless you enter into a separate Franchise Agreement for that Restaurant. You may not relocate the Franchised Restaurant from the Approved Location.

The Franchise Agreement grants you territorial protection in a geographic area consisting of a three (3) mile radius around your Approved Location (the “Limited Protected Area”). During the term of the Franchise Agreement, if you comply with your obligations under the Franchise Agreement, we will not establish or operate (or allow others to establish or operate) a RED ROBIN[®] RESTAURANT within the Limited Protected Area. If you default under the Franchise Agreement, even if you cure the default, your Limited Protected Area will automatically terminate. Your rights granted in the Limited Protected Area do not depend on your achievement of a certain sales volume or market penetration.

All RED ROBIN[®] RESTAURANTS, whether franchised or company-owned, are free to advertise, solicit and accept orders from any customer regardless of whether such customer is located within a Limited Protected Area or a Territory.

Under the Franchise Agreement, we reserve the right to do all the following:

- (1) establish and operate, and allow others to establish and operate, other RED ROBIN[®] RESTAURANTS at any location outside your Limited Protected Area;
- (2) establish and operate, allow others to establish and operate, or acquire the ownership interests or assets of another business that establishes or operates, any business using trade names, trademarks, service marks and commercial symbols other than the Marks;
- (3) establish, and allow others to establish, other distribution channels (including, but not limited to, the internet, social media, websites, retail stores, and supermarkets) wherever located or operating and regardless of the nature or location of the customers, with whom such other distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from RED ROBIN[®] RESTAURANTS, and that sell products and/or services that are identical or similar to, and/or competitive with, those that RED ROBIN[®] RESTAURANTS customarily sell;

- (4) offer and sell, and allow others to offer and sell, any of the food and beverage services and products that are offered by RED ROBIN[®] RESTAURANTS, at or through any quick-service restaurants, fast-casual restaurants, ghost kitchens, dark kitchens, cloud kitchens, execution kitchens, preparation kitchens, container kitchens, concession trailers, food trucks, and any similar food-preparation operations under the Marks or other trademarks and service marks;
- (5) offer and sell, and allow others to offer and sell, any of the food and beverage services and products that are offered by RED ROBIN[®] RESTAURANTS at or through any nontraditional venues, including, without limitation, permanent, temporary, or seasonal food service facilities in any stadium, entertainment or amusement park, airport, highway travel plaza, museum, university, elementary or secondary school, office or commercial building, hospital, military facility, or special events, under the Marks or other trademarks and service marks;
- (6) acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more restaurants or food-service businesses, notwithstanding the fact that such restaurants may be the same as or similar to RED ROBIN[®] RESTAURANTS; and in the event of such an acquisition, we or our affiliates (as applicable) will have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept;
- (7) be acquired (regardless of the form of transaction) by a business, whether or not such business is a Competitive Restaurant (defined below), even if such business operates, franchises and/or grants licenses for the operation of restaurants which may be the same as or similar to RED ROBIN[®] RESTAURANTS; and in the event of such an acquisition, the acquirer and its affiliates (as applicable) will have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept; and
- (8) engage in all other activities not expressly prohibited by the Franchise Agreement.

We are not required to pay you if we exercise any of the rights specified above inside your Limited Protected Area. Unless you have also signed an Area Development Agreement, you have no options, rights of first refusal or similar rights to acquire additional franchises. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We do not plan to operate a business under a different trademark that sells goods or services similar to those offered by RED ROBIN[®] RESTAURANTS.

ITEM 13

TRADEMARKS

We grant you a license to operate your business under the service mark RED ROBIN[®] during the term of the Franchise Agreement. You may be required to use other current or future trademarks of ours to operate the Franchised Restaurant. By “trademark” we mean trade names, trademarks, service marks and logos used to identify RED ROBIN[®] RESTAURANTS (the “Marks”).

The following table sets forth the status of certain federal trademark registrations for with the U.S. Patent and Trademark Office (“PTO”) on the Principal Register of the principal marks we license to you.

MARK	REGISTRATION DATE	REGISTRATION NO.
Red Robin	April 22, 1980	1,133,872
YUMMM	June 8, 2010	3,800,456
 Red Robin (Design)	October 13, 2015	4,833,158
Red Robin Gourmet Burgers + Brews	March 14, 2017	5,161,286

All required affidavits of use have been filed in a timely manner.

We may establish new Marks in the future and you must use and display these marks in accordance with specifications and bear all costs associated with changes to Marks or introduction of new Marks. You must follow our rules when you use these marks. You cannot use a Mark as part of a corporate name or with modifying words, designs or symbols except with our consent which we may withhold in our absolute discretion. You may not use our Marks in the sale of an unauthorized product or service or in any manner we do not authorize in writing. You may not use any other mark, name, commercial symbol or logotype in connection with the operation of the Franchised Restaurant.

There is presently no effective determination of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal trademarks, service marks, trade names, logo-types or other commercial symbols.

You must not contest, directly or indirectly, anywhere in the world, our ownership of the Marks, trade secrets, methods and procedures that are a part of the System. You must not register, seek to register or contest our sole right to register, use and license others to use the marks, names, information and symbols.

Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to the benefit of RED ROBIN®.

There are no agreements currently in effect which significantly limit the rights of RED ROBIN to use or license the use of any trademarks, service marks, trade names, logo-types or other commercial symbols, except that we have agreed not to operate or franchise third parties to operate restaurants under the “Red Robin®” name in Marin, Sonoma and San Francisco Counties, California.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You may not communicate with any person other than RED ROBIN and its counsel regarding any infringement, challenge or claim. We have discretion to take any action we deem appropriate and we have the right to exclusively control any litigation, PTO proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign all documents, render assistance and do such things as we or our counsel deem advisable to protect and maintain our interests.

We have sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation, Patent and Trademark Office action or other proceeding arising out of any infringement, challenge or litigation relating to the Marks.

If it becomes advisable at any time, in our discretion, for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply within a reasonable time after notice by us. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

We do not know of any uses that could materially affect your use of the Marks in any state where the Franchised Restaurant is to be located.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any rights to any patent or have any patent applications pending that are material to the franchise. We claim copyright protection for the FOM and for any other written materials we develop to assist you in the development and operation of the Franchised Restaurant. There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees. No agreement limits our right to use or license the use of our copyrighted materials. We are not obligated under any agreement to protect or defend our copyrights, although we intend to do so. We do not know of any infringing uses of, or superior rights in, our copyrighted materials.

You acknowledge that we or our affiliates own the worldwide copyright and other ownership rights to the FOM, and all components of the System that are written, electronic, and/or magnetic media subject to copyright (collectively, the "Copyright Materials"). You acknowledge and agree that it may only make modifications to the Copyright Materials upon receiving our prior written consent. You agree to use proper copyright and other proprietary notices in connection with all Copyright Materials or translations, modifications or adaptations of the Copyright Materials and conform to our standards for protecting its rights. You agree to promptly cause the execution of any assignments, waivers of rights, or other documents, and take any further actions needed or advisable to ensure that we have such copyright and other rights described in this Section.

Confidential Information

We possess certain proprietary and confidential information, including trade secrets relating to the operation of RED ROBIN[®] RESTAURANTS. This proprietary and confidential information includes processes, methods, techniques, recipes, training materials, checklists and other information that is valuable and treated by RED ROBIN as confidential information, and may be in written, electronic, or other media. Much of this confidential information is included or referenced in our FOM. You and your owners will not acquire any interest in the confidential information other than the right to use it in operating the Franchised Restaurant. You must maintain the absolute confidentiality of the confidential information during and after the expiration or termination of the Franchise Agreement. You and your owners can divulge this confidential information only to your employees who must have access to it to operate the Franchised Restaurant. Neither you nor your owners are permitted to make unauthorized copies, record or otherwise reproduce the materials or information or make them available to any unauthorized person. You will be required to have certain individuals to whom you disclose confidential information sign confidentiality agreements. We may require that you provide us a copy of any such signed confidentiality agreements.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Area Development Agreement

Principal Owner

You must designate and retain an individual to serve as the "Principal Owner". The Principal Owner (i) will be deemed as a "Developer's Owner" and must have the largest share of unencumbered equity ownership in Developer, (ii) must be authorized by the Developer to bind the Developer in any dealings with us and authorized distributors, suppliers, and contractors of Developer, (iii) must be authorized by the Developer to direct any actions necessary to ensure compliance with this Development Agreement, and (iv) must devote his full time and best efforts toward the satisfaction of Developer's obligations under the "Area Development Agreement". Principal Owner's interest in Developer will be and will remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. Developer has not taken and agrees that it will not take, whether directly or indirectly, any action to avoid the authority requirements of the Principal Owner through the entry of limiting board resolutions, management agreements, amendment of governing documents or any other similar device or arrangement. Developer agrees to furnish us with such evidence as we may request from time to time for the purpose of assuring us that the Principal Owner's authority remains as represented herein.

Operating Partner

If the Principal Owner does not intend to devote his full time and best efforts toward the satisfaction of Developer's obligations under this Development Agreement, then Developer must also designate an individual Operating Partner who must be approved by us and the Operating Partner (i) will be deemed as a "Developer's Owner" and must be authorized by the Developer to bind the Developer in any dealings with us and authorized distributors, suppliers, and contractors of Developer, (ii) must be authorized by the Developer to direct any actions necessary to ensure compliance with this Development Agreement, and (iii) must devote his full time and best efforts toward the satisfaction of Developer's obligations under the Development Agreement with no operational or management commitments to other businesses. The

Operating Partner must live within the Territory. Except as may otherwise be provided in this Development Agreement, the Operating Partner's interest in Developer will be and will remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options.

Franchise Agreement

Principal Owner

If you are an entity, you will designate and retain an individual to serve as the Principal Owner of the Franchised Restaurant. The Principal Owner (i) will be deemed as "Franchisee's Owner" and must have the largest share of unencumbered equity ownership in you, but not less than ten percent (10%), (ii) must be authorized by you to bind you in any dealings with us and authorized distributors, suppliers, and contractors, (iii) must be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iv) must devote full time and best efforts to the satisfaction of your obligations under the Franchise Agreement and the daily operations of the Franchised Restaurant. Except as may otherwise be provided in the Franchise Agreement, the Principal Owner's interest in you will be and will remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. You have not taken and agree that you will not hereafter take, whether directly or indirectly, any action to avoid the authority requirements of the Principal Owner through the entry of limiting board resolutions, management agreements, amendment of governing documents or any other similar device or arrangement. You agree to furnish us with such evidence as we may request from time to time for the purpose of assuring us that the Principal Owner's authority remains as represented herein.

Operating Partner

If the Principal Owner does not intend to devote his full time and best efforts to the daily operation of the Franchised Restaurant, then you must also designate an individual Operating Partner who must be approved by us and the Operating Partner (i) will be deemed as a "Franchisee's Owner" hereunder and must be authorized by you to bind you in any dealings with us and authorized distributors, suppliers, and contractors, (ii) must be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iii) must devote full time and best efforts to the satisfaction of your obligations under the Franchise Agreement and the daily operations of the Franchised Restaurant with no operational or management commitments to other businesses. The Operating Partner must live within the general area (100-mile radius) of the Franchised Restaurant. Except as may otherwise be provided in the Franchise Agreement, the Operating Partner's interest in you will be and will remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options.

You must also designate and retain at all times one (1) General Manager and one (1) Kitchen Manager to assist in the operation and management of the Franchised Restaurant. Each of these persons must satisfy our educational and business experience criteria as established in the FOM and must complete to our satisfaction our training requirements. We may review technical and management capabilities of such persons, in our discretion.

Guaranty

If you are a single-purpose entity (or, similar corporate entity created for the purpose of operating the Franchised Restaurant), then you acknowledge and agree that we may require your parent company to

(i) execute the Franchise Agreement and to be jointly and severally liable for all obligations, liabilities, terms, and conditions applicable to you under the Franchise Agreement or (ii) execute a Guaranty of Franchise Agreement similar to the form set forth on Exhibit B to the Franchise Agreement, all as determined by us in our sole discretion.

Your Principal Owner, Operating Partner and your other owners will not be obligated to execute a personal guaranty, provided that, in the event you default under the Franchise Agreement (even if such default is cured by you), we reserve the right, in addition to our other rights and remedies hereunder, to require: (1) the Principal Owner to sign the Guaranty in the form set forth on Attachment D to the Franchise Agreement and/or (2) Franchisee to post a Letter of Credit (or, LOC) in accordance with Section 13.6 of the Franchise Agreement.

Confidentiality

Your Principal Owner must agree in writing to preserve confidential information to which they have access and not to compete with you, us and other franchisees.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all menu items, food products, beverages, and other products and services we require, in the manner and style we require. You must sell only approved menu items, and other products and services that we expressly authorize in the FOM or otherwise in writing. You must strictly comply with all of our standards and specifications (including brand specifications and brand identity) relating to the purchase of designated food products and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, including electronic cash register, computer hardware and software, and other products used or sold at the Franchised Restaurant, as designated in the FOM. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any unapproved menu items, products or services. We have the right to change the authorized menu items, products and services and their respective standards, specifications and requirements in our discretion. We may periodically set the maximum and minimum price that you may charge for services and products. You must promptly comply with such changes.

Food and beverage products must be prepared and served in strict compliance with our recipes and procedures contained in the FOM or other written instructions. You must maintain the Franchised Restaurant and provide related services in the manner and in strict accordance with the standards that we prescribe in the Franchise Agreement, FOM or otherwise. You must also comply with our requirements as to the types of services and products that may be used, promoted or offered at the Franchised Restaurant (See Item 8).

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Section 5 in Area Development Agreement Section 1.1 in Franchise Agreement	Term of Area Development Agreement will expire on the first to occur of: (i) date on which Developer has completed the Development Schedule in accordance with the terms of the Development Agreement or (ii) date the last Franchised Restaurant required by the Development Agreement is open and operating. Term of Franchise Agreement will expire on the last day of the last calendar month of the 20th anniversary of the effective date of the Franchise Agreement.
b. Renewal or extension of the term	Not applicable	No right to renew term of Area Development Agreement or Franchise Agreement.
c. Requirements for franchisee to renew or extend	Not applicable	No right to renew term of Area Development Agreement or Franchise Agreement.
d. Termination by franchisee	Not applicable in Area Development Agreement. Section 13.10 in Franchise Agreement.	No right to terminate Area Development Agreement You may terminate only if we default and fail to cure such default within 60 days after you deliver written notice of the default to us.
e. Termination by franchisor without cause	Not applicable in Area Development Agreement Not applicable in Franchise Agreement	We may not terminate the Area Development Agreement without cause. We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	Section 7.3 and 7.4 in Area Development Agreement	We may terminate your Area Development Agreement for cause if you are in default under the terms of your Area Development Agreement or you (or your affiliate) are in default under the terms of any Franchise

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Sections 13.2 and 13.3 in Franchise Agreement	<p>Agreement between you (or your affiliate) and us.</p> <p>We may terminate your Franchise Agreement for cause if you are in default under the terms of your Franchise Agreement.</p>
g. "Cause" defined – curable defaults	<p>Not applicable in Area Development Agreement</p> <p>Section 13.3 and 13.4 in Franchise Agreement</p>	<p>Not applicable</p> <p>Curable defaults include the following (10-day cure period for all defaults below except (c), which is 3-day cure period):</p> <ul style="list-style-type: none"> (a) you cease to operate or otherwise abandons the Franchised Restaurant for three (3) consecutive days unless the Franchised Restaurant has been closed (i) for a purpose that has been expressly approved in writing by us; (ii) due to governmental order; or (iii) due to fire, flood, other casualty, or other catastrophic forces beyond Franchisee's control; provided (1) such event was not caused by Franchisee's intentional and/or negligent acts, (2) that Franchisee applies within thirty (30) days after such event, for our approval to relocate or reconstruct the Franchised Restaurant (which approval will not be unreasonably withheld), and (3) Franchisee diligently pursues such reconstruction or relocation, and (4) any such approval by us may be conditioned upon the payment of an agreed minimum royalty to us during the period in which the Franchised Restaurant is not in operation;

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<p>(b) you (i) breach the lease agreement for your location and/or lose the right to possession and/occupancy of the location, and/or (ii) lose the right to transact business in the jurisdiction where the Franchised Restaurant is located;</p> <p>(c) you or any of your owners engages in conduct that is deleterious or reflects unfavorably on us, the System, the Red Robin Marks, and/or the goodwill associated with the System or the Marks, including, without limitation, conduct which exhibits a disregard for the physical and mental well-being of employees, guests, our representatives, the public at large (e.g., battery, assault, sexual harassment, discrimination, and other forms of threatening, outrageous, or socially unacceptable behavior) (3-day cure period);</p> <p>(d) you fail to comply with the Franchise Agreement, the System, and/or any health, safety, or sanitation law, rule, or regulation relating to cleanliness and sanitation of the Franchised Restaurant. your construction, maintenance, and/or operation of the Franchised Restaurant represents a threat or danger to public health or safety;</p> <p>(e) you misuse or make any unauthorized use of the Red Robin Marks or otherwise materially impairs the goodwill associated with the Marks or our rights in the Marks.</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<ul style="list-style-type: none"> (f) you and/or any of your Owners enters a subfranchise agreement, management agreement, consulting arrangement, subcontracting arrangement, outsourcing arrangement, or any other similar arrangement relating to the Franchise Agreement and/or the Franchised Restaurant; (g) you fail to pay the Franchise Fee, Royalty Fee, Advertising Fee, and/or any other amounts due under the Franchise Agreement; (h) Any failure by you to pay the Royalty Fee in full as and when due (without any retention, deduction, credit, and/or offset whatsoever, except any deduction and/or credit expressly permitted under the definition of Gross Sales) will automatically be deemed a failure to pay the Royalty Fee and an event of default by you under the Franchise Agreement; (i) you or any of your Owners fails to comply with any provision of the Franchise Agreement; (j) you repeatedly fail to comply with the provisions of the Franchise Agreement (whether or not cured after notice); or (k) you do not open the Franchised Restaurant for business to the general public within 180 days after the Effective Date of the Franchise Agreement.
h. "Cause" defined— non-curable defaults	Section 7.3 in Area Development	Non-curable defaults include:

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Agreement and Section 13.2 in Franchise Agreement	<ul style="list-style-type: none"> (a) becoming insolvent or making a general assignment for the benefit of creditors; (b) any purported assignment, transfer, conveyance, give away, gift, pledge, mortgage or other encumbrance (by operation of law or otherwise) which does not comply with the transfer provisions; (c) filing a voluntary petition (or an involuntary petition involving you is filed) under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; (d) admitting in writing your inability to pay your debts when due; (e) being adjudicated bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; (f) a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; (g) a receiver or other custodian (permanent or temporary) of your assets or property, or any part, is appointed by any court of competent jurisdiction; (h) proceedings for a composition with creditors under any state or federal law should be instituted by or against you;

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<ul style="list-style-type: none"> <li data-bbox="932 401 1398 527">(i) final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); <li data-bbox="932 600 1398 695">(j) you are dissolved or if execution is levied against your business or property; <li data-bbox="932 737 1398 957">(k) suit or other proceeding to foreclose any lien or mortgage against the Franchised Restaurant (or equipment within the Franchised Restaurant) is instituted against you and not dismissed within thirty (30) days; <li data-bbox="932 999 1398 1157">(l) if the real or personal property of the Franchised Restaurant will be sold after levy by any sheriff or other person with competent jurisdiction; or <li data-bbox="932 1199 1398 1829">(m) you or any of your Owners (A) violates any “Anti-Terrorism Laws”, as defined below, (B) is listed under any such Anti-Terrorism Laws, (C) has any dealings with any person listed under any such Anti-Terrorism Laws, and/or (D) or your assets are blocked under any such Anti-Terrorism Laws (the term “Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war).
i. Franchisee’s obligations on termination/ nonrenewal.	Section 7.4 in Area Development Agreement.	<p>In addition to the defaults described above, the following defaults are also non-curable defaults under the Area Development Agreement:</p> <ul style="list-style-type: none"> (a) you fail to comply with the Development Schedule; (b) you fail to pay the Development Fee and/or any other amounts due under the Area Development Agreement; (c) you fail to lease or purchase and construct and open each Franchised Restaurant in accordance with the terms and conditions of the Area Development Agreement; (d) If you or any of your Owners is convicted (regardless of any pending appeal) of a felony, a crime involving moral turpitude, or any other crime or offense that us believes is reasonably likely to have an adverse effect on us, the System, the Red Robin Marks, and/or the goodwill associated with any of the above;

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<p>(e) you or any of your Owners engages in conduct that is deleterious or reflects unfavorably on us, the System, the Red Robin Marks, and/or the goodwill associated with the System or the Marks including, without limitation, conduct which exhibits a disregard for the physical and mental well-being of employees, customers, our representatives, the public at large (e.g., battery, assault, sexual harassment, discrimination, and other forms of threatening, outrageous, or socially unacceptable behavior);</p> <p>(f) failure by you to maintain a responsible credit rating by failing to make prompt payment of undisputed bills, invoices and statements from suppliers of goods and services to you (including where such supplier is us); you or any of your Owners enters a subdevelopment agreement, subfranchise agreement, management agreement, consulting arrangement, subcontracting arrangement, outsourcing arrangement, or any other similar arrangement relating to the rights and obligations of you under the Area Development Agreement;</p> <p>(g) submission by you or any of your Owners of a franchise application and/or management commitment form (or other documentation required under the Area Development Agreement) which contains any material false or</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<p>misleading statements or omits any material fact;</p> <p>(h) repeated breaches of provisions of the Area Development Agreement, whether or not cured after notice’ failure by you, your Owners, Principal Owner, and/or Operating Partner to comply with any other provisions of the Area Development Agreement;</p> <p>(i) you (including its affiliates, subsidiaries, successors, and assigns), your Owners, Principal Owner, and/or Operating Partner fail to comply with the terms of any other agreement between you (or one of its affiliates) and us (including any Franchise Agreement); or</p> <p>(j) you or one of your affiliates as the “Franchisee” under a Franchise Agreement fails to comply with the terms of any Franchise Agreement (and such failure is not cured within the applicable cure period, if any, set forth in such Franchise Agreement).</p>
j. “Cause” defined – other non-curable defaults in Franchise Agreement	Sections 13.3(c) and 13.4 in Franchise Agreement	Your or any of your owners is convicted (regardless of any pending appeal) of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated with the System or the Marks, or our interest in any of the above or the submission by you or any of your owners of a franchise application and/or management commitment form (or other documentation required under the Franchise Agreement) which contains any material false or

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		misleading statements or omits any material fact.
k. Franchisee’s obligations on termination/non-renewal	Sections 7.7 in Area Development Agreement Section 14.1 in Franchise Agreement	You must cease holding yourself out as a developer; return all confidential information; pay all amounts owing to us; and comply with post-termination non-compete and non-solicitation. You must pay us all amounts due; remove all signs containing the Marks; return to us or destroy all materials containing any Mark; cease identifying yourself as a franchisee; cancel all assumed names using the Marks; notify the telephone company and authorize the transfer of the Franchised Restaurant phone numbers; comply with laws applicable to de-identification; cease using e-mails associated with the Marks or domain names we own; cease use of websites and social media associated with the Marks; provide us evidence of your compliance with post-termination obligations; cease use of and return the FOM and Confidential Information; and comply with post-termination non-compete and non-solicit.
l. Assignment of contract by franchisor	Section 8.1 in Area Development Agreement AND Section 12.1 in Franchise Agreement	No restriction on our right to assign.
m. “Transfer” by franchisee-definition	Section 8.2 in Area Development Agreement AND Section 12.2 in Franchise Agreement	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising; grant of mortgage, charge, lien or security interest; merger or consolidation; sale or exchange of voting securities; or transfer caused by divorce or death.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		Business; transferee and its managers have satisfactorily completed Training Programs; landlord consents to the transfer of the lease or sublease to transferee; transferee signs our then-current form of Franchise Agreement, which may contain materially different terms; you pay a non-refundable transfer fee of \$10,000; you and your owners sign a general release; transferee and its owners sign personal guaranties; the purchase price paid by the transferee will not adversely affect the transferee's ability to operate the Franchised Restaurant; the transferee's obligations under any notes or security interests are subordinate to the transferee's obligations to us; you have corrected any deficiencies to the Franchised Restaurant and transferee agrees to upgrade, remodel, and refurbish the Franchised Restaurant to our then-current standards; you and your owners comply with all post-termination obligations. A transfer of the franchise agreement requires the transfer to the same recipient of all franchise agreements owned by you or your affiliates.
p. Franchisor's right of first refusal to acquire franchisee's business	Section 8.4 in Area Development Agreement and Attachment C to Area Development Agreement AND Section 12.6 in Franchise Agreement and Attachment C to Franchise Agreement	We have a right of first refusal to match any offer for the franchisee's business or ownership interest of any owner in your entity within 30 days after you provide us with written notice of a bona fide offer.
q. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
r. Death or disability of franchisee	Section 8.5 in Area Development Agreement	A transfer incident to death or disability requires our consent and satisfaction of the conditions described in item (o) above.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Section 12.7 in Franchise Agreement	Upon the death or permanent disability of you (or the Principal Owner), the executor, administrator, conservator or other personal representative of that person, or the remaining owners, must appoint a new manager within 30 days from the date of death or permanent disability. The appointed manager must attend and successfully complete the Training Programs within 120 days of the appointment. If the Franchised Restaurant is not being managed by a manager approved by us within thirty (30) days after death or permanent disability, we may appoint a manager (and charge you a management fee) to maintain the operations of the Franchised Restaurant on your behalf until an approved assignee is able to assume the management and operation of the Franchised Restaurant. Completion of any transfer incident to death must be completed within 12 months.
s. Non-competition covenants during the term of the franchise	Section 9.3 in Area Development Agreement AND Section 15.3 in Franchise Agreement	No involvement in a Competitive Business. No solicitation of our employees or the managers of any other RED ROBIN® RESTAURANT. No interference with our relationships with third parties. A “Competitive Business” means any restaurant or food service business (other than a Red Robin® Restaurant) in the full-service, “casual” or “family” segment of the restaurant industry that offers burgers and may reasonably be expected to generate more than fifteen percent (15%) of its food sales from the sale of burgers.
t. Non-competition covenants after the franchise is terminated or expires	Section 9.3 in Area Development Agreement	No involvement in a Competitive Business for 2 years in Territory or within a 5-mile radius of any RED ROBIN® RESTAURANT in existence or under development. No solicitation of our employees or managers of any other RED ROBIN® RESTAURANT and no interference with our relationships with third parties for 2 years.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Section 15.3 in Franchise Agreement	No involvement in a Competitive Business for 2 years at the Franchised Restaurant's premises, in your Protected Area, or within a 5-mile radius of any RED ROBIN® RESTAURANT in existence or under development. No attempt to divert customers, and no solicitation of our employees or employees of any other RED ROBIN® RESTAURANT for 2 years.
u. Modification of the agreement	Section 15.9 in Area Development Agreement AND Section 19.1 in Franchise Agreement	No modifications except in writing and signed by both you and us.
v. Integration /merger clause	Section 15.9 in Area Development Agreement AND Section 19.1.in Franchise Agreement	Only the written terms of the agreement are binding (subject to state law). Any other promises may not be enforceable. However, nothing in the Area Development Agreement or Franchise Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.
w. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
x. Choice of forum	Section 14.2 in Area Development Agreement AND Section 20.2 in Franchise Agreement	Subject to state law, all actions must be commenced in state courts located in Englewood, Arapahoe County, Colorado or federal court - United States District Court for the District of Colorado.
y. Choice of law	Section 14.2 in Area Development Agreement AND	Subject to state law, Colorado law governs. Subject to state law, Colorado law governs.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Section 20.2 in Franchise Agreement	

ITEM 18
PUBLIC FIGURES

RED ROBIN does not use any public figure for the purpose of selling franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting LeAnne Stine, Red Robin International, Inc., 10000 East Geddes Avenue, Suite 500, Englewood, Colorado 80112, (303) 846-6000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION
TABLE NO. 1

**SYSTEMWIDE RESTAURANT SUMMARY FOR
YEARS 2022 TO 2024**

Outlet Type	Year	Restaurants at the Start of the Year	Restaurants at the End of the Year	Net Change
Franchised	2022	101	97	-4
	2023	97	92	-5
	2024	92	91	-1

Company-owned ²	2022	430	414	-16
	2023	414	415	+1
	2024	415	407	-8
Total Outlets	2022	531	511	-20
	2023	511	507	-4
	2024	507	498	-9

TABLE NO. 2

**TRANSFERS OF RESTAURANTS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024**

State	Year	Number of Transfers
All States	2022	0
	2023	5
	2024	0
Total	2022	0
	2023	5
	2024	0

TABLE NO. 3

**STATUS OF FRANCHISED RESTAURANTS
FOR YEARS ENDED 2022 TO 2024**

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Restaurants at End of Year
Alaska	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Arizona	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Arkansas	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
Connecticut	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	3	0	0
	2024	0	0	0	0	0	0	0
Delaware	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	1	4

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Restaurants at End of Year
Kansas	2022	4	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Massachusetts	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	2	0	0
	2024	0	0	0	0	0	0	0
Michigan	2022	20	0	0	0	0	1	19
	2023	19	0	0	0	0	0	19
	2024	19	0	0	0	0	0	19
Missouri	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Montana	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Oregon	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Pennsylvania	2022	21	0	0	0	0	1	20
	2023	20	0	0	0	0	0	20
	2024	20	0	0	0	0	0	20
Texas	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
Utah	2022	6	0	0	0	0	1	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Totals	2022	101	1	0	0	0	5	97
	2023	97	0	0	0	5	0	92
	2024	92	0	0	0	0	1	91

TABLE NO. 4

**STATUS OF COMPANY-OWNED RESTAURANTS⁽¹⁾
FOR YEARS 2022 TO 2024**

State	Year	Restaurants at Start of Year	Restaurants Opened	Restaurants Reacquired from Franchisee	Restaurants Closed	Restaurants Sold to Franchisee	Restaurants at End of Year
Alabama	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	1	0	3
Arizona	2022	17	0	0	0	0	17
	2023	17	1	0	0	0	18
	2024	18	0	0	0	0	18
Arkansas	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
California(3)	2022	59	0	0	2	0	57
	2023	57	0	0	0	0	57
	2024	57	0	0	0	0	57
Colorado(4)	2022	22	0	0	0	0	22
	2023	22	0	0	0	0	22
	2024	22	0	0	1	0	21
Connecticut	2022	0	0	0	0	0	0
	2023	0	0	3	0	0	3
	2024	3	0	0	0	0	3
Florida	2022	19	0	0	1	0	18
	2023	18	0	0	1	0	17
	2024	17	0	0	1	0	16
Georgia	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
Idaho	2022	8	0	0	0	0	8
	2023	8	0	0	0	0	8
	2024	8	0	0	0	0	8
Illinois	2022	22	0	0	2	0	20
	2023	20	0	0	0	0	20
	2024	20	0	0	3	0	17
Indiana	2022	13	0	0	2	0	11
	2023	11	0	0	0	0	11
	2024	11	0	0	0	0	11
Iowa	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
Kentucky	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4

State	Year	Restaurants at Start of Year	Restaurants Opened	Restaurants Reacquired from Franchisee	Restaurants Closed	Restaurants Sold to Franchisee	Restaurants at End of Year
Louisiana	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Maine	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Maryland	2022	13	0	0	1	0	12
	2023	12	0	0	1	0	11
	2024	11	0	0	0	0	11
Massachusetts	2022	4	0	0	1	0	3
	2023	3	0	2	0	0	5
	2024	5	0	0	0	0	5
Minnesota	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Missouri	2022	8	0	0	0	0	8
	2023	8	0	0	0	0	8
	2024	8	0	0	0	0	8
Nebraska	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Nevada	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
New Hampshire	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
New Jersey	2022	12	0	0	1	0	11
	2023	11	0	0	0	0	11
	2024	11	0	0	0	0	11
New Mexico	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
New York	2022	14	0	0	0	0	14
	2023	14	0	0	0	0	14
	2024	14	0	0	0	0	14
North Carolina	2022	17	0	0	0	0	17
	2023	17	0	0	0	0	17
	2024	17	0	0	0	0	17
Ohio	2022	18	0	0	1	0	17
	2023	17	0	0	1	0	16
	2024	16	0	0	0	0	16
Oklahoma	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5

State	Year	Restaurants at Start of Year	Restaurants Opened	Restaurants Reacquired from Franchisee	Restaurants Closed	Restaurants Sold to Franchisee	Restaurants at End of Year
	2024	5	0	0	0	0	5
Oregon	2022	15	0	0	0	0	15
	2023	15	0	0	0	0	15
	2024	15	0	0	0	0	15
Pennsylvania	2022	11	0	0	0	0	11
	2023	11	0	0	0	0	11
	2024	11	0	0	0	0	11
Rhode Island	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
South Carolina	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
South Dakota	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Tennessee	2022	11	0	0	2	0	9
	2023	9	0	0	0	0	9
	2024	9	0	0	0	0	9
Texas	2022	20	0	0	0	0	20
	2023	20	0	0	2	0	18
	2024	18	0	0	0	0	18
Utah	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Virginia	2022	20	0	0	0	0	20
	2023	20	0	0	0	0	20
	2024	20	0	0	2	0	18
Washington(5)	2022	39	0	0	2	0	37
	2023	37	0	0	0	0	37
	2024	37	0	0	0	0	37
Wisconsin	2022	11	0	0	0	0	11
	2023	11	0	0	0	0	11
	2024	11	0	0	0	0	11
Totals	2022	430	0	0	16	0	414
	2023	414	1	5	5	0	415
	2024	415	0	0	8	0	407

TABLE NO. 5

**PROJECTED OPENINGS
AS OF DECEMBER 29, 2024**

State	Franchise Agreements Signed But Restaurant Not Opened	Projected New Franchised Restaurants in the Next Fiscal Year	Projected New Company-Owned Restaurants in the Next Fiscal Year
Totals	0	0	0

Attached as Exhibit E is a list of the names of all of our franchisees and area developers and the addresses and telephone numbers of their RED ROBIN® RESTAURANTS as of December 29, 2024.

Attached as Exhibit F is a list of the names, cities and states and business telephone numbers (or, if unknown, the last known home telephone numbers) of every franchisee and area developer who had a Franchise Agreement or Area Development Agreement terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or Area Development Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

In some instances, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any trademark-specific franchisee organizations associated with our franchise system.

ITEM 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit A are the audited consolidated financial statements of Red Robin Gourmet Burgers, Inc., for fiscal years 2024, 2023, and 2022 (and related notes to the financial statements). Red Robin Gourmet Burgers, Inc. has guaranteed the performance of obligations to you under the Red Robin International, Inc. May 2025 Franchise Disclosure Document, the Franchise Agreement and related documents. A copy of the Guarantee of Performance is included in Exhibit A.

ITEM 22

CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

- Exhibit B -- Area Development Agreement
- Exhibit C -- Franchise Agreement
- Exhibit H -- Receipts

ITEM 23

RECEIPTS

Exhibit H contains detachable documents acknowledging your receipt of the Disclosure Document

EXHIBIT A
FINANCIAL STATEMENTS

RED ROBIN GOURMET BURGERS, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Red Robin Gourmet Burgers, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Red Robin Gourmet Burgers, Inc. and subsidiaries (the "Company") as of December 29, 2024 and December 31, 2023, the related consolidated statements of operations and comprehensive loss, stockholders' (deficit) equity, and cash flows, for the periods ended December 29, 2024, December 31, 2023 and December 25, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2024 and December 31, 2023, and the results of its operations and its cash flows for the periods ended December 29, 2024, December 31, 2023 and December 25, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Long-Lived Assets – Refer to Notes 1, 4 and 9 in the Financial Statements

Critical Audit Matter Description

The Company assesses long-lived assets for impairment at the individual restaurant level whenever events and circumstances indicate the carrying amount of an asset group may not be recoverable. Expected cash flows associated with an asset are the key factor in determining the recoverability of the asset. Identifiable cash flows are measured at the restaurant level. The estimate of cash flows is based upon, among other things, certain assumptions about expected future operating performance, including assumptions of future revenue trends. If the sum of the cash flows is less than the carrying value of the asset, an impairment loss is recognized and measured as the amount by which the carrying value exceeds the fair value of the asset.

We identified the evaluation of long-lived asset impairment as a critical audit matter because of the significant judgments made by management to estimate the cash flows, including assumptions about expected future operating performance, and the fair value of the lease assets. This required a significant degree of auditor judgment and an increased extent of effort, when performing audit procedures to evaluate whether management appropriately identified and evaluated potential impairment indicators, and when evaluating the reasonableness of management's estimates and assumptions, particularly related to cash flows and market rent.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the impairment of long-lived assets included the following, among others:

- We tested the design and operating effectiveness of internal controls over the Company's assessment and evaluation of potential impairment indicators for long-lived assets and over forecasted cash flows and market rent used in their recoverability and impairment analyses.
- We evaluated the reasonableness of the Company's evaluation of impairment indicators by:
 - Evaluating the Company's process for identifying qualitative and quantitative impairment indicators by location and whether the Company appropriately considered such indicators.
 - Conducting a completeness assessment to determine whether additional impairment indicators were present during the period that were not identified by the Company.
- We tested the mathematical accuracy of management's calculations and the underlying source of information for a selection of restaurant sites.
- We evaluated the reasonableness of the information in the Company's forecasted cash flows used in their recoverability and impairment analyses, by comparing the forecasts to:
 - Historical actual information,
 - Internal communications between management and the Board of Directors,
 - Forecasted information included in analyst and industry reports for the Company.
- We evaluated the Company's forecasted cash flows for consistency with evidence obtained in other areas of the audit.
- With the assistance of our fair value specialists, we evaluated the market rent by developing a range of independent estimates and comparing those to the market rent used by management.

/s/ Deloitte & Touche LLP

Denver, Colorado
February 26, 2025

We have served as the Company's auditor since 2021.

RED ROBIN GOURMET BURGERS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	December 29, 2024	December 31, 2023
Assets:		
Current assets:		
Cash and cash equivalents	\$ 30,651	\$ 23,634
Accounts receivable, net	19,688	21,592
Inventories	26,737	26,839
Prepaid expenses and other current assets	13,608	11,785
Restricted cash	8,750	7,931
Total current assets	99,434	91,781
Property and equipment, net	181,224	261,258
Operating lease assets, net	331,617	361,609
Intangible assets, net	11,064	15,491
Assets held for sale	4,313	—
Other assets, net	13,662	11,795
Total assets	\$ 641,314	\$ 741,934
Liabilities and stockholders' equity:		
Current liabilities:		
Accounts payable	\$ 29,783	\$ 27,726
Accrued payroll and payroll-related liabilities	39,672	32,524
Unearned revenue	27,083	36,067
Current portion of operating lease liabilities	50,083	43,819
Accrued liabilities and other	42,931	46,201
Total current liabilities	189,552	186,337
Long-term debt	181,641	182,594
Long-term portion of operating lease liabilities	345,635	383,439
Other non-current liabilities	8,755	10,006
Total liabilities	725,583	762,376
Commitments and contingencies (see Note 12. Commitments and Contingencies)		
Stockholders' equity (deficit):		
Common stock; \$0.001 par value: 45,000 shares authorized; 22,050 shares issued; 17,403 and 15,528 shares outstanding as of December 29, 2024 and December 31, 2023	22	20
Preferred stock, \$0.001 par value: 3,000 shares authorized; no shares issued and outstanding as of December 29, 2024 and December 31, 2023	—	—
Treasury stock 4,647 and 4,921 shares, at cost as of December 29, 2024 and December 31, 2023	(164,937)	(174,702)
Paid-in capital	233,667	229,680
Accumulated other comprehensive loss, net of tax	(62)	(22)
Accumulated deficit	(152,959)	(75,418)
Total stockholders' equity (deficit)	(84,269)	(20,442)
Total liabilities and stockholders' equity (deficit)	\$ 641,314	\$ 741,934

See Notes to Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except per share amounts)

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Revenues:			
Restaurant revenue	\$ 1,224,254	\$ 1,274,294	\$ 1,230,189
Franchise revenue	14,941	15,867	19,306
Other revenue	9,365	12,885	16,039
Total revenues	<u>1,248,560</u>	<u>1,303,046</u>	<u>1,265,534</u>
Costs and expenses:			
Restaurant operating costs (excluding depreciation and amortization shown separately below):			
Cost of sales	292,392	308,962	306,509
Labor (includes \$0, \$475, and \$958 of stock-based compensation)	479,631	473,538	440,564
Other operating	216,242	224,999	224,704
Occupancy	103,359	102,761	98,868
Depreciation and amortization	57,729	66,190	76,245
Selling, general, and administrative expenses (includes \$6,940, \$6,329, and \$8,635 of stock-based compensation)	118,440	124,130	136,612
Pre-opening costs	—	587	568
Impairment and other charges (gains), net	33,848	(2,663)	38,961
Total costs and expenses	<u>1,301,641</u>	<u>1,298,504</u>	<u>1,323,031</u>
Income (loss) from operations	(53,081)	4,542	(57,497)
Other expense (income):			
Interest expense	25,277	26,560	20,643
Interest (income) and other, net	(727)	(1,100)	(4)
Total other expenses, net	<u>24,550</u>	<u>25,460</u>	<u>20,639</u>
Loss before income taxes	(77,631)	(20,918)	(78,136)
Income tax expense (benefit)	(90)	310	747
Net loss	<u>\$ (77,541)</u>	<u>\$ (21,228)</u>	<u>\$ (78,883)</u>
Loss per share:			
Basic	<u>\$ (4.93)</u>	<u>\$ (1.34)</u>	<u>\$ (4.98)</u>
Diluted	<u>\$ (4.93)</u>	<u>\$ (1.34)</u>	<u>\$ (4.98)</u>
Weighted average shares outstanding:			
Basic	<u>15,736</u>	<u>15,835</u>	<u>15,840</u>
Diluted	<u>15,736</u>	<u>15,835</u>	<u>15,840</u>
Other comprehensive (loss) income:			
Foreign currency translation adjustment	\$ (40)	\$ 12	\$ (35)
Other comprehensive (loss) income, net of tax	(40)	12	(35)
Total comprehensive loss	<u>\$ (77,581)</u>	<u>\$ (21,216)</u>	<u>\$ (78,918)</u>

See Notes to Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY

(In thousands)

	Common Stock		Treasury Stock		Paid-in Capital	Accumulated Other Comprehensive (Loss) Income, net of tax	Retained Earnings (Deficit)	Total
	Shares	Amount	Shares	Amount				
Balance, December 26, 2021	20,449	\$ 20	4,727	\$ (192,803)	\$ 242,560	\$ 1	\$ 24,693	\$ 74,471
Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan	—	—	(212)	9,993	(10,080)	—	—	(87)
Non-cash stock compensation	—	—	—	—	6,323	—	—	6,323
Net loss	—	—	—	—	—	—	(78,883)	(78,883)
Other comprehensive loss	—	—	—	—	—	(35)	—	(35)
Balance, December 25, 2022	20,449	20	4,515	(182,810)	238,803	(34)	(54,190)	1,789
Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan	—	—	(456)	18,068	(16,063)	—	—	2,005
Acquisition of treasury stock	—	—	862	(9,960)	—	—	—	(9,960)
Non-cash stock compensation	—	—	—	—	6,940	—	—	6,940
Net loss	—	—	—	—	—	—	(21,228)	(21,228)
Other comprehensive income	—	—	—	—	—	12	—	12
Balance, December 31, 2023	20,449	20	4,921	(174,702)	229,680	(22)	(75,418)	(20,442)
Issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan	—	—	(274)	9,765	(10,065)	—	—	(300)
Non-cash stock compensation	—	—	—	—	6,961	—	—	6,961
Net loss	—	—	—	—	—	—	(77,541)	(77,541)
Common stock issuance	1,601	2	—	—	7,091	—	—	7,093
Other comprehensive loss	—	—	—	—	—	(40)	—	(40)
Balance, December 29, 2024	22,050	\$ 22	4,647	\$ (164,937)	\$ 233,667	\$ (62)	\$ (152,959)	\$ (84,269)

See Notes to Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Cash Flows From Operating Activities:			
Net loss	\$ (77,541)	\$ (21,228)	\$ (78,883)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	57,729	66,190	76,245
Asset impairment	32,838	9,130	38,534
Non-cash other charges (gains)	(5)	(1,404)	(3,440)
Stock-based compensation expense	6,961	6,933	6,294
Gain on sale of property	(7,425)	(30,137)	(9,204)
Other, net	2,353	1,238	3,817
Changes in operating assets and liabilities:			
Accounts receivable	1,706	364	(26)
Inventories	(220)	(280)	(1,813)
Income tax receivable	197	33	15,263
Prepaid expenses and other current assets	(597)	1,558	2,289
Operating lease assets, net of liabilities	(1,455)	(11,841)	(7,036)
Trade accounts payable and accrued liabilities	3,441	(9,843)	11,724
Unearned revenue	(8,984)	(10,971)	(9,772)
Other operating assets and liabilities, net	(1,951)	(899)	(8,460)
Net cash provided by (used in) operating activities	<u>7,047</u>	<u>(1,157)</u>	<u>35,532</u>
Cash Flows From Investing Activities:			
Purchases of property, equipment and intangible assets	(26,034)	(49,440)	(38,159)
Proceeds from sale-leaseback	23,271	58,801	—
Proceeds from sales of property and equipment, and other	1,016	2,394	8,591
Acquisition of franchised restaurants	—	(3,529)	—
Net cash provided by (used in) investing activities	<u>(1,747)</u>	<u>8,226</u>	<u>(29,568)</u>
Cash Flows From Financing Activities:			
Proceeds from borrowings on revolving credit facilities	84,500	—	97,151
Repayments of borrowings on revolving credit facilities	(64,500)	(15,000)	(264,227)
Proceeds from borrowings on term loan	—	—	200,000
Repayments of borrowings on term loan	(21,232)	(9,857)	(1,000)
Repayments of finance lease obligations	(923)	(898)	(1,292)
Proceeds from borrowings for insurance premium financing	4,265	—	—
Repayments of borrowings for insurance premium financing	(3,619)	—	—
Purchase of treasury stock	—	(9,960)	—
Debt issuance costs	(2,749)	—	(4,869)
Proceeds related to real estate sale	—	—	3,856
Proceeds from issuance of common stock, net of stock issuance costs	7,093	—	—
(Uses) proceeds from other financing activities, net	(299)	2,003	(86)
Net cash provided by (used in) financing activities	<u>2,536</u>	<u>(33,712)</u>	<u>29,533</u>
Effect of exchange rate changes on cash	—	2	(41)
Net change in cash and cash equivalents, and restricted cash	<u>7,836</u>	<u>(26,641)</u>	<u>35,456</u>
Cash and cash equivalents, and restricted cash, beginning of period	31,565	58,206	22,750
Cash and cash equivalents, and restricted cash, end of period	<u>\$ 39,401</u>	<u>\$ 31,565</u>	<u>\$ 58,206</u>
Supplemental disclosure of cash flow information			
Income taxes paid (refunds received), net	\$ 83	\$ 454	\$ (14,642)
Interest paid, net of amounts capitalized	22,737	24,084	16,054
Accrued purchases of property, equipment and intangible assets	\$ 2,707	\$ 1,836	\$ 9,688

See Notes to Consolidated Financial Statements.

RED ROBIN GOURMET BURGERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Summary of Significant Accounting Policies

(a) Description of Business

Red Robin Gourmet Burgers, Inc., a Delaware corporation, together with its subsidiaries ("Red Robin," "we," "us," "our", or the "Company"), primarily operates, franchises, and develops casual dining restaurants in North America. As of December 29, 2024, the Company owned and operated 407 restaurants located in 39 states. The Company also had 91 casual dining restaurants operated by franchisees in 13 states and one Canadian province. The Company operates its business as one operating and one reportable segment.

(b) Basis of Presentation and Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts of Red Robin and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Fiscal Year	Year End Date	Number of Weeks in Fiscal Year
<i>Current and Prior Fiscal Years:</i>		
2024	December 29, 2024	52
2023	December 31, 2023	53
2022	December 25, 2022	52
<i>Upcoming Fiscal Years:</i>		
2025	December 28, 2025	52
2026	December 27, 2026	52

(c) Reclassifications

Certain amounts presented have been reclassified within the current period presentation. The reclassifications had no effect on the Company's consolidated results. We made adjustments to the Consolidated Statements of Cash Flows to disaggregate borrowing and repayment activity on long term debt and finance lease obligations, to reclassify gift card breakage within unearned revenue, and to reclassify amortization of debt issuance costs within other, net.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(e) Summary of Significant Accounting Policies

Revenue Recognition - Revenues consist of sales from restaurant operations (including third party delivery), franchise revenue, and other revenue including gift card breakage and miscellaneous revenue. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a restaurant Guest, franchisee, or other customer.

The Company recognizes revenues from restaurant operations when payment is tendered at the point of sale, as the Company's performance obligation to provide food and beverage to the customer has been satisfied.

The Company sells gift cards which do not have an expiration date, and it does not deduct dormancy fees from outstanding gift card balances. We recognize revenue from gift cards as either: (i) Restaurant revenue, when the Company's performance obligation to provide food and beverage to the customer is satisfied upon redemption of the gift card, or (ii) gift card breakage, as discussed below.

Gift card breakage is recognized when the likelihood of a gift card being redeemed by the customer is remote and the Company determines there is not a legal obligation to remit the unredeemed gift card balance to the relevant jurisdiction. The determination of the gift card breakage rate is based upon the Company's specific historical redemption patterns. The Company recognizes gift card breakage by applying its estimate of the rate of gift card breakage on a pro rata basis over the period of estimated redemption.

During the second quarter of fiscal 2024, we re-launched our Red Robin Royalty™ program ("Royalty"). Under the re-launched program, Royalty members generally earn points for every dollar spent. We may also periodically offer promotions, which typically provide the customer with the opportunity to earn bonus points or other rewards. Upon reaching certain point thresholds, Royalty members earn rewards that may be redeemed for food and beverage items. Earned rewards generally expire 90 days after they are issued, and points generally expire if a qualifying purchase is not made within 365 days of the last purchase. We defer revenue based on the estimated stand-alone selling price of points or rewards earned by customers as each point or reward is earned, net of points or rewards we do not expect to be redeemed. Our estimate of points and rewards expected to be redeemed is based on historical Company-specific data. We evaluate Royalty redemption rates annually, or more frequently as circumstances warrant. Estimating future redemption rates requires judgment based on current and historical trends, and actual redemption rates may vary from our estimates.

Revenues we receive from our franchise arrangements include sales-based royalties, advertising fund contributions, area development fees, and franchise fees. Red Robin franchisees are required to remit 4.0% to 5.0% of their revenues as royalties to the Company and contribute up to 3.0% of revenues to two national advertising funds. The Company recognizes these sales-based royalties and advertising fund contributions as the underlying franchisee sales occur. Contributions to these advertising funds from franchisees are recorded as revenue under Franchise revenue in the Consolidated Statements of Operations and Comprehensive Loss in accordance with ASC Topic 606, *Revenue from Contracts with Customers*.

The Company typically grants franchise rights to franchisees for a term of 20 years, with the right to extend the term for an additional 10 years if various conditions are satisfied by the franchisee.

Other revenue consists of gift card breakage, licensing income, and recycling income.

Cash and Cash Equivalents, and Restricted Cash - The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents. Amounts receivable from credit card issuers are typically converted to cash within two to four days of the original sales transaction and are considered to be cash equivalents.

Cash and cash equivalents are maintained with multiple financial institutions. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit and therefore bear minimal credit risk. The Company holds cash and cash equivalents at financial institutions in excess of amounts covered by the Federal Depository Insurance Corporation (the "FDIC") and sometimes invests excess cash in money market funds not insured by the FDIC. The Company periodically assesses the credit risk associated with these financial institutions and believes that the risk of loss is minimal.

The Company is required to carry restricted cash balances that are reserved as collateral for existing letters of credit. The amounts issued under letters of credit, which are undrawn totaled \$8.5 million.

Accounts Receivable, Net - Accounts receivable, net consists primarily of third-party gift card receivables, third party delivery partner receivables, trade receivables due from franchisees for royalties and advertising fund contributions, and tenant improvement allowances. At the end of fiscal 2024, there was approximately \$9.2 million of gift card receivables in accounts receivable related to gift cards that were sold by third party retailers compared to \$9.7 million at the end of fiscal 2023. At the end of 2024, there was also approximately \$2.2 million related to third party delivery partners in accounts receivable compared to approximately \$2.6 million at the end of fiscal 2023.

Inventories - Inventories consist of food, beverages, and supplies valued at the lower of cost (first-in, first-out method) or net realizable value. At the end of fiscal 2024 and 2023, food and beverage inventories were \$9.2 million and \$9.4 million, respectively, and supplies inventories were \$17.5 million and \$17.4 million, respectively.

Property and Equipment, Net - Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are expensed as incurred. Depreciation is computed on the straight-line method based on the shorter of the estimated useful lives or the terms of the underlying leases of the related assets. Interest incurred on funds used to construct Company-owned restaurants is capitalized and amortized over the estimated useful life of the related assets.

The estimated useful lives for property and equipment are:

Buildings	5 years to 20 years
Leasehold improvements	Shorter of lease term or estimated useful life, not to exceed 20 years
Furniture, fixtures, and equipment	5 years to 20 years
Computer equipment	2 years to 5 years

The Company capitalizes certain overhead related to the development and construction of its new restaurants as well as certain information technology capital investments. Costs incurred for the potential development of restaurants that are subsequently terminated are expensed.

Cloud Computing Arrangements - The Company capitalizes cloud computing implementation costs and amortizes these costs on a straight-line basis over the term of the related service agreement, including renewal periods that are reasonably certain to be exercised. Capitalized cloud computing implementation costs were \$1.2 million and \$0.7 million, net of accumulated amortization, as of December 29, 2024 and December 31, 2023, respectively. These costs are included in prepaid expenses and other current assets and other assets in our consolidated balance sheets. Related amortization expense was \$0.5 million, \$0.4 million, and \$0.1 million for the years ended December 29, 2024, December 31, 2023, and December 25, 2022, respectively, and is included in selling, general and administrative expenses in our consolidated statements of operations and comprehensive loss.

Leases - The Company leases land, buildings, and equipment used in its operations under operating and finance leases. Our leases generally have remaining terms of 1-15 years, most of which include options to extend the leases for additional five-year periods. Generally, the lease term is the minimum of the non-cancelable period of the lease or the lease term inclusive of reasonably certain renewal periods up to a term of 20 years.

We determine if a contract contains a lease at inception. Operating lease assets and liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent our right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, lease incentives, and impairment of operating lease assets. To determine the present value of lease payments not yet paid, we estimate incremental secured borrowing rates corresponding to the maturities of the leases. We estimate this rate based on prevailing financial market conditions, comparable company and credit analysis, and management judgment.

Our leases typically contain rent escalations over the lease term. We recognize expense for these leases on a straight-line basis over the lease term. Additionally, tenant incentives used to fund leasehold improvements are recognized when earned and reduce our right-of-use asset related to the lease. These are amortized through the right-of-use asset as reductions of expense over the lease term.

Some of our leases include rent escalations based on inflation indexes and fair market value adjustments. Certain leases contain contingent rental provisions that include a fixed base rent plus an additional percentage of the restaurant's sales in excess of stipulated amounts. Operating lease liabilities are calculated using the prevailing index or rate at lease commencement. Subsequent escalations in the index or rate and contingent rental payments are recognized as variable lease expenses. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

We have elected the short-term lease recognition exemption for all applicable classes of underlying assets. Short-term disclosures include only those leases with a term of 12 months or less, and expense is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that we are reasonably certain to exercise, are not recorded on the balance sheet.

We elected the practical expedient that does not require us to separate lease and non-lease components for our population of real estate assets.

Intangible Assets, net - Intangible assets comprise primarily leasehold interests, acquired franchise rights, and the costs of purchased liquor licenses. Leasehold interests primarily represent the fair values of acquired lease contracts having contractual rents lower than fair market rents and are amortized on a straight-line basis over the remaining initial lease term. Acquired franchise rights, which represent the acquired value of franchise contracts, are amortized over the term of the franchise agreements. The costs of obtaining non-transferable liquor licenses from local government agencies are capitalized and generally amortized over a period of up to 20 years. The costs of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are capitalized as indefinite-lived intangible assets.

Impairment of Long-Lived Assets - The Company reviews its long-lived assets, including restaurant sites, leasehold improvements, information technology systems, right of use assets, and amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of

assets to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant-level. If the assets are determined to be impaired, the amount of impairment recognized is the amount by which the carrying amount of the assets exceeds their fair value. Fair value is generally determined using projected cash flows discounted using an estimated weighted average cost of capital. Management may also utilize other market information to determine fair value such as market rent and discount rates, to estimate the fair value of restaurant right of use lease assets. Restaurant sites and other assets to be disposed of are reported at the lower of their carrying amount or fair value, less estimated costs to sell. Information technology systems, such as internal-use computer software, are reviewed and tested for recoverability if the internal-use computer software is not expected to provide substantive service potential, a significant change occurs in the extent or manner in which the software is used or is expected to be used, a significant change is made or will be made to the software program, or costs of developing or modifying internal-use software significantly exceed the amount originally expected to develop or modify the software.

Advertising - Under the Company's franchise agreements, both the Company and the franchisees must contribute up to 3.0% of revenues to two national media advertising funds (the "Advertising Funds"). These Advertising Funds are used to drive initial Guest trial and repeat visits, and build the Company's brand equity and awareness. Primary advertising channels include television advertising, digital media, social media programs, email, loyalty, and public relations initiatives.

Total advertising costs of \$23.5 million, \$21.6 million, and \$35.7 million in fiscal 2024, 2023, and 2022 and were included in Selling, general, and administrative expenses.

Advertising production costs are expensed in the period when the advertising first takes place. Other advertising costs are expensed as incurred.

Self-Insurance Programs - The Company utilizes a self-insurance plan for health, general liability, and workers' compensation coverage. Predetermined loss limits have been arranged with insurance companies to limit the Company's per occurrence cash outlay. Accrued liabilities and other current liabilities and accrued payroll and payroll-related liabilities include the estimated cost to settle reported claims and incurred but unreported claims.

Legal Contingencies - In the normal course of business, we are subject to various legal proceedings and claims, the outcomes of which are uncertain. We record an accrual for legal contingencies when we determine it is probable that we have incurred a liability and we can reasonably estimate the amount of the loss. In making such determinations we evaluate, among other things, the probability of an unfavorable outcome, and when we believe it probable that a liability has been incurred, our ability to make a reasonable estimate of the loss.

Pre-opening Costs - Pre-opening costs are expensed as incurred. Pre-opening costs include rental expenses through the date of opening for each restaurant, travel expenses, wages, and benefits for the training and opening teams, as well as food, beverage, and other restaurant opening costs incurred prior to a restaurant opening for business. Costs related to preparing restaurants to introduce Donatos[®] are expensed as incurred and included in pre-opening costs.

Income Taxes - Deferred tax liabilities are recognized for the estimated effects of all taxable temporary differences, and deferred tax assets are recognized for the estimated effects of all deductible temporary differences, net operating losses, and tax credit carryforwards. Realization of net deferred tax assets is dependent upon profitable operations and future reversals of existing taxable temporary differences. However, the amount of the deferred tax assets considered realizable could be adjusted if estimates of future taxable income during the carry forward period are increased or reduced or if there are differences in the timing or amount of future reversals of existing taxable temporary differences.

Pursuant to the guidance for uncertain tax positions, a taxpayer must be able to more likely than not sustain a position to recognize a tax benefit, and the measurement of the benefit is calculated as the largest amount that is more than 50 percent likely to be realized upon resolution of the benefit. The Company has analyzed filing positions in all of the federal, state, and foreign jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The only periods subject to examination for the Company's federal and state returns are the 2020 through 2024 tax years.

The Company records interest and penalties associated with audits as a component of income before taxes. The Company recorded immaterial penalty and interest expense on the identified tax liabilities in fiscal 2024, 2023, and 2022.

Loss Per Share - Basic loss per share amounts are calculated by dividing net loss by the weighted average number of common shares outstanding during the year. Diluted loss per share amounts are calculated based upon the weighted average number of common and potentially dilutive common shares outstanding during the year. Potentially dilutive shares are excluded from the computation in periods in which they have an anti-dilutive effect. Diluted loss per share reflects the potential dilution that could occur if holders of options and awards exercised their holdings into common stock. As the Company was in a net loss position for each of the fiscal years ended December 29, 2024, December 31, 2023, and December 25, 2022, all potentially dilutive common shares are considered anti-dilutive.

The Company uses the treasury stock method to calculate the impact of outstanding stock options and awards. Basic weighted average shares outstanding is reconciled to diluted weighted average shares outstanding for the fiscal years ended December 29, 2024, December 31, 2023, and December 25, 2022 as follows (in thousands):

	2024	2023	2022
Basic weighted average shares outstanding	15,736	15,835	15,840
Dilutive effect of stock options and awards	—	—	—
Diluted weighted average shares outstanding	<u>15,736</u>	<u>15,835</u>	<u>15,840</u>
Awards excluded due to anti-dilutive effect on diluted earnings per share	<u>1,749</u>	<u>1,409</u>	<u>1,481</u>

Comprehensive Loss - Total comprehensive loss consists of the net loss and other gains and losses affecting stockholders' equity that, under U.S. GAAP, are excluded from net income. Other comprehensive (loss) income as presented in the consolidated statements of operations and comprehensive loss for fiscal 2024, 2023, and 2022 consisted of the foreign currency translation adjustment resulting from the Company's Canadian franchise operations.

Stock-Based Compensation - The Company maintains several equity incentive plans under which it may grant stock options, stock appreciation rights, restricted stock, stock variable compensation, or other forms of awards granted or denominated in the Company's common stock or units of the Company's common stock, as well as cash variable compensation awards to employees, non-employees, directors, and consultants. The Company also maintains an employee stock purchase plan. The Company issues shares relating to stock-based compensation plans and the employee stock purchase plan from treasury shares. We recognize compensation expenses for only the portion of share-based awards that are expected to vest. Therefore, we apply estimated forfeiture rates that are derived from our historical forfeitures of similar awards when a Team Member leaves the Company.

Deferred Compensation - The Company has assets and liabilities related to a deferred compensation plan. The assets of the deferred compensation plan are held in a rabbi trust, where they are invested in certain mutual funds that cover an investment spectrum range from equities to money market instruments. Fluctuations in the market value of the investments held in the trust result in the recognition of deferred compensation expense or income reported in Selling, general, and administrative expenses and recognition of investment gain or loss reported in Interest income and other, net, in the consolidated statements of operations and comprehensive loss.

2. Recent Accounting Pronouncements

In November 2024, the FASB issued Update 2024-03 which expands disclosures about specific expense categories presented on the face of the income statement. Update 2024-03 is effective for financial statements issued for annual periods beginning after December 15, 2026, with early adoption permitted. The Company is evaluating the impact of the adoption of Update 2024-03 to the consolidated financial statements.

In December 2023, the FASB issued Update 2023-09 to improve income tax disclosure requirements, primarily related to rate reconciliations and income taxes paid. Update 2023-09 is effective for financial statements issued for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of the adoption of Update 2023-09 to the consolidated financial statements.

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

3. Revenue

Disaggregation of Revenue

In the following table, revenue is disaggregated by type of good or service (in thousands):

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Restaurant revenue	\$ 1,224,254	\$ 1,274,294	\$ 1,230,189
Franchise revenue	14,941	15,867	19,306
Gift card breakage	7,930	9,874	13,808
Other revenue	1,435	3,011	2,231
Total revenues	<u>\$ 1,248,560</u>	<u>\$ 1,303,046</u>	<u>\$ 1,265,534</u>

Contract Liabilities

Components of Unearned revenue in the Consolidated Balance Sheets are as follows (in thousands):

	December 29, 2024	December 31, 2023
	Unearned gift card revenue	\$ 24,333
Deferred loyalty revenue	2,750	7,509
Unearned revenue	<u>\$ 27,083</u>	<u>\$ 36,067</u>

Revenue recognized in the Consolidated Statements of Operations and Comprehensive Loss for the redemption of gift cards that were included in the liability balance at the beginning of the fiscal year was as follows (in thousands):

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Gift card revenue	\$ 16,782	\$ 19,224	\$ 24,109

We recognize Royalty revenue within Restaurant revenue in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) when a customer redeems an earned reward. Unearned revenue associated with Royalty is included in Unearned revenue in our Condensed Consolidated Balance Sheets.

Changes in our Unearned revenue balance related to our Royalty program (in thousands):

	Year Ended	
	December 29, 2024	December 31, 2023
Unearned Royalty Revenue, beginning balance	\$ 7,509	\$ 11,107
Revenue deferred	4,817	6,870
Revenue recognized ⁽¹⁾	(9,576)	(10,468)
Unearned Royalty revenue, ending balance	<u>\$ 2,750</u>	<u>\$ 7,509</u>

⁽¹⁾ Restaurant revenue includes an approximately \$6.4 million credit related to the transition to the new Royalty program in the second quarter of fiscal 2024, primarily due to the cancellation of unused points that were earned more than 365 days prior to the launch of the new program.

4. Impairment and Other Charges (Gains), net

Impairment and other charges consist of the following (in thousands):

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Asset impairment and restaurant closure costs, net	\$ 34,080	\$ 12,192	\$ 39,362
Gain on sale of restaurant property	(7,425)	(29,543)	(9,204)
Severance and executive transition	1,181	3,419	2,280
Other financing costs	—	—	1,462
Litigation contingencies	1,037	9,140	4,148
Asset disposal and other, net	4,975	2,129	913
Impairment and other charges (gains), net	\$ 33,848	\$ (2,663)	\$ 38,961

Asset Impairment and Restaurant Closure Costs

During fiscal 2024, the Company closed eight locations and is evaluating alternatives for approximately 70 underperforming restaurant locations, including closure upon expiration of the current lease term. The Company recognized non-cash impairment charges of \$32.8 million, primarily associated with this review of underperforming locations as well as impairment of quota state liquor licenses at three locations. In addition, the Company recorded \$1.2 million in charges associated with the eight store closures in fiscal 2024.

During fiscal 2023, the Company recognized non-cash impairment charges of \$9.1 million, primarily related to the impairment of long-lived assets at 19 underperforming locations and quota state liquor licenses at three locations. In addition, the Company recorded \$3.1 million in charges associated with five closed locations.

During fiscal 2022, the Company recognized non-cash impairment charges of \$38.5 million, primarily related to impairments of long-lived assets at 46 underperforming locations and quota state liquor licenses at six locations. In addition, the Company recorded \$0.8 million in costs associated with 16 closed locations during fiscal 2022.

Severance and Executive Transition

During fiscal 2024, 2023, and 2022, the Company incurred severance and executive transition costs primarily related to a reduction in force of Team Members and costs associated with changes in leadership positions.

Gain on Sale of Restaurant Property

During fiscal 2024, the Company sold ten restaurant properties for aggregate net proceeds of \$23.3 million in a sale-leaseback transaction that resulted in a gain, net of expenses of \$7.4 million. The net proceeds are included within cash flows from investing activities on the Consolidated Statements of Cash Flows for the year ended December 29, 2024.

During fiscal 2023, the Company sold 18 restaurant properties for aggregate net proceeds of \$58.8 million in sale-leaseback transactions that resulted in a gain, net of expenses of \$29.4 million. In addition, during 2023, the Company sold one restaurant property for net proceeds of \$1.5 million which resulted in a gain, net of expenses of \$0.1 million. The net proceeds are included within cash flows from investing activities on the Consolidated Statements of Cash Flows for the year ended December 31, 2023.

During fiscal 2022, the Company sold one restaurant property for aggregate net proceeds of \$12.4 million in a short-term sale-leaseback transaction that resulted in a gain, net of expenses of \$9.2 million. The net proceeds are included within cash flows from investing and financing activities on the Consolidated Statements of Cash Flows for the year ended December 25, 2022.

Litigation Contingencies

In fiscal 2024, 2023, and 2022, the Company recorded reserves associated with litigation contingencies. See Note 12. Commitments and Contingencies, for further discussion.

Asset Disposal and Other

Asset disposal and other primarily relates to lease terminations and closures of restaurants and corporate office locations, asset disposals, strategic projects and other non-recurring items.

5. Property and Equipment, Net

Property and equipment consist of the following at December 29, 2024 and December 31, 2023 (in thousands):

	December 29, 2024	December 31, 2023
Land	\$ 9,760	\$ 19,703
Buildings	13,496	49,178
Leasehold improvements	574,256	627,805
Furniture, fixtures, and equipment	360,611	377,158
Construction in progress	13,307	19,300
Property and equipment, gross	\$ 971,430	\$ 1,093,144
Accumulated depreciation and amortization	(790,206)	(831,886)
Property and equipment, net	<u>\$ 181,224</u>	<u>\$ 261,258</u>

Depreciation and amortization expense on property and equipment was \$55.4 million in 2024, \$63.8 million in fiscal 2023, and \$73.7 million in fiscal 2022.

6. Intangible Assets

The following table presents intangible assets as of December 29, 2024 and December 31, 2023 (in thousands):

	December 29, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Franchise rights	\$ 46,091	\$ (41,647)	\$ 4,444	\$ 46,863	\$ (39,777)	\$ 7,087
Leasehold interests	12,867	(10,906)	1,961	13,001	(10,503)	2,498
Liquor licenses and other	9,596	(9,419)	177	9,632	(9,393)	239
	<u>\$ 68,554</u>	<u>\$ (61,972)</u>	<u>\$ 6,582</u>	<u>\$ 69,496</u>	<u>\$ (59,673)</u>	<u>\$ 9,824</u>
Indefinite-lived intangible assets:						
Liquor licenses and other	\$ 4,482	—	\$ 4,482	\$ 5,667	—	\$ 5,667
Intangible assets, net	<u>\$ 73,036</u>	<u>\$ (61,972)</u>	<u>\$ 11,064</u>	<u>\$ 75,163</u>	<u>\$ (59,673)</u>	<u>\$ 15,491</u>

The aggregate amortization expense related to intangible assets subject to amortization for fiscal 2024, 2023, and 2022 was \$2.3 million, \$2.4 million, and \$2.5 million.

The estimated aggregate future amortization expense as of December 29, 2024 is as follows (in thousands):

2025	\$ 1,816
2026	1,456
2027	1,092
2028	665
2029	346
Thereafter	1,207
	<u>\$ 6,582</u>

7. Accrued Payroll and Payroll-Related Liabilities, and Accrued Liabilities and Other Current Liabilities

Accrued payroll and payroll-related liabilities consist of the following at December 29, 2024 and December 31, 2023 (in thousands):

	December 29, 2024	December 31, 2023
Payroll and payroll-related taxes	\$ 18,438	\$ 9,484
Workers compensation insurance	6,459	4,363
Corporate and restaurant incentive compensation	4,168	9,617
Accrued vacation	6,583	6,528
Other	4,024	2,532
Accrued payroll and payroll-related liabilities	<u>\$ 39,672</u>	<u>\$ 32,524</u>

Accrued liabilities and other current liabilities consist of the following at December 29, 2024 and December 31, 2023 (in thousands):

	December 29, 2024	December 31, 2023
State and city sales tax payable	\$ 6,224	\$ 7,830
Real estate, personal property, state income, and other taxes payable	6,933	7,067
Insurance	10,201	6,204
Utilities	3,016	2,929
Legal	4,935	8,740
Accrued interest	1,536	1,657
Accrued marketing	2,830	3,650
Current portion of finance lease liabilities	1,019	939
Accrued termination benefits	—	184
Other	6,237	7,001
Accrued liabilities and other current liabilities	<u>\$ 42,931</u>	<u>\$ 46,201</u>

Accrued termination benefits represents one-time termination benefits primarily related to changes in leadership positions as a result of our strategic pivot under the North Star plan and a related reduction in force and are accounted for in accordance with ASC Topic 420, *Exit or Disposal Cost Obligations*. The Company incurred a cumulative total of \$5.1 million in one-time termination benefits, which is comprised of \$0, \$2.1 million, and \$3.0 million recognized during fiscal 2024, 2023, and 2022, respectively, and included in Impairment and other charges (gains) in the Consolidated Statements of Operations and Comprehensive Loss. One-time termination benefits activity for the years ended December 31, 2023 and December 29, 2024, respectively is as follows:

	Termination Benefits	
Balance as of December 25, 2022	\$	2,505
Charges		2,077
Cash Payments		(4,398)
Balance as of December 31, 2023	<u>\$</u>	<u>184</u>
Charges		—
Cash Payments		(184)
Balance as of December 29, 2024	<u>\$</u>	<u>—</u>

8. Borrowings

Borrowings as of December 29, 2024 and December 31, 2023 are summarized below:

	December 29, 2024		December 31, 2023	
	Borrowings	Variable Interest Rates	Borrowings	Variable Interest Rates
<i>(Dollars in thousands)</i>				
Revolving line of credit	\$ 20,000	12.03 %	\$ —	— %
Term loan	169,470	12.21 %	189,143	11.62 %
Total borrowings	189,470		189,143	
Less: unamortized debt issuance costs and discounts ⁽¹⁾	7,829		6,549	
Long-term debt	\$ 181,641		\$ 182,594	
Revolving line of credit unamortized deferred financing charges ⁽¹⁾ :	\$ 1,298		\$ 752	

⁽¹⁾ Loan origination costs associated with the Company's Credit Facility are included as deferred costs in Other assets, net for financing charges allocated to the revolving line of credit, and Long-term debt for financing charges associated with the term loan in the accompanying Consolidated Balance Sheets.

Maturities of long-term debt as of December 29, 2024 are as follows (in thousands):

2025	\$ —
2026	—
2027	189,470
2028	—
Thereafter	—
	<u>\$ 189,470</u>

Credit Facility

On March 4, 2022, the Company replaced its prior amended and restated Credit Agreement (the "Prior Credit Agreement") with a new Credit Agreement (the "Credit Agreement") by and among the Company, Red Robin International, Inc., as the borrower, the lenders from time to time party thereto, the issuing banks from time to time party thereto, Fortress Credit Corp., as Administrative Agent and as Collateral Agent and JPMorgan Chase Bank, N.A., as Sole Lead Arranger and Sole Bookrunner. The five-year \$240.0 million Credit Agreement provides for a \$40.0 million revolving line of credit and a \$200.0 million term loan (collectively, the "Credit Facility"). The borrower maintains the option to increase the Credit Facility in the future, subject to lenders' participation, by up to an additional \$40.0 million in the aggregate on the terms and conditions set forth in the Credit Agreement.

The Credit Facility will mature on March 4, 2027. No amortization is required with respect to the revolving Credit Facility. The term loans require quarterly principal payments in an aggregate annual amount equal to 1.0% of the original principal amount of the term loan. The Credit Agreement's interest rate references the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements and backed by U.S. Treasury securities, or the Alternate Base Rate ("ABR"), which represents the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.5% per annum, or (c) one-month term SOFR plus 1.0% per annum.

As of December 29, 2024, the Company had outstanding borrowings under the Credit Facility of \$181.6 million, including \$20.0 million drawn on its revolving line of credit. As of December 31, 2023, the Company had outstanding borrowings under the Credit Facility of \$182.6 million, with no amounts drawn on its revolving line of credit. In addition, the Company had amounts issued under letters of credit of \$8.5 million and \$7.7 million as of December 29, 2024 and December 31, 2023, respectively.

Red Robin International, Inc., is the borrower under the Credit Agreement, and certain of its subsidiaries and the Company are guarantors of borrower's obligations under the Credit Agreement. Borrowings under the Credit Agreement are secured by substantially all of the assets of the borrower and the guarantors, including the Company, and are available to: (i) refinance certain existing indebtedness of the borrower and its subsidiaries, (ii) pay any fees and expenses in connection with the Credit Agreement, and (iii) provide for the working capital and general corporate requirements of the Company, the borrower and its subsidiaries, including permitted acquisitions and capital expenditures, but excluding restricted payments.

On March 4, 2022, Red Robin International, Inc., the Company, and the guarantors also entered into a Pledge and Security Agreement (the "Security Agreement") granting to the Administrative Agent a first priority security interest in substantially all of the assets of the borrower and the guarantors to secure the obligations under the Credit Agreement.

Red Robin International, Inc., as the borrower is obligated to pay customary fees to the agents, lenders and issuing banks under the Credit Agreement with respect to providing, maintaining, or administering, as applicable, the credit facilities.

On July 17, 2023, the Company amended the Credit Agreement (the "First Amendment") to, among other things, remove the previously included \$50.0 million aggregate cap on sale-leasebacks of Company-owned real property that are permitted under the Credit Agreement, subject to certain conditions set forth in the Credit Agreement.

On August 21, 2024, the Company entered into the second amendment to the Credit Agreement (the "Second Amendment"). The Second Amendment, among other things, provides certain relief from the financial covenant by increasing the required maximum net total leverage ratio beginning in the third quarter of 2024 through the end of the third quarter of 2025; increases the aggregate revolving commitments by \$15.0 million to \$40.0 million through the end of the third quarter of 2025; removes the variable pricing grid and increases the applicable margin on all term loans and revolving loans that are SOFR-based loans to 7.50% per annum and that are ABR-based loans to 6.50% per annum; and adds certain additional reporting requirements.

On November 4, 2024, the Company entered into the third amendment to the Credit Agreement (the "Third Amendment"). The Third Amendment extended the provisions of the Second Amendment through the end of the first fiscal quarter of 2026.

In conjunction with the execution of the Second Amendment and Third Amendment (collectively the "2024 Amendments"), the Company paid certain customary amendment fees to the lenders under the Credit Facility totaling approximately \$4.5 million. The Company performed an analysis of the 2024 Amendments under ASC Topic 470, Debt, and determined that debt modification accounting was appropriate for our term loan and revolving line of credit due to the change in total capacity and the increase in applicable margin interest rates under the new amendments. As a result, the Company capitalized \$4.3 million of the amendment fees as deferred loan fees which will be amortized over the remaining term of the Credit Facility and expensed the remaining \$0.2 million of fees.

The summary descriptions of the Credit Agreement, the Security Agreement, the First Amendment, the Second Amendment and the Third Amendment do not purport to be complete and are qualified in their entirety by reference to the full text of each agreement, which are listed as exhibits to this Annual Report on Form 10-K.

During fiscal 2022, the Company expensed approximately \$1.7 million of deferred financing charges related to the extinguishment of the Prior Credit Agreement on March 4, 2022. These charges were recorded to interest expense, net and other on the Consolidated Statements of Operations and Comprehensive Loss for the year ended December 25, 2022.

9. Fair Value Measurements

Fair value measurements are made under a three-tier fair value hierarchy, which prioritizes the inputs used in the measuring of fair value:

- Level 1: Observable inputs that reflect unadjusted quote prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are generally unobservable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The carrying amounts of the Company's cash and cash equivalents, accounts receivable, accounts payable, and current accrued expenses and other current liabilities approximate fair value due to the short-term nature or maturity of the instruments.

The Company maintains a rabbi trust to fund obligations under a deferred compensation plan. See Note 15. Employee Benefit Programs. Amounts in the rabbi trust are invested in mutual funds, which are designated as trading securities and carried at fair value and are included in other assets, net in the accompanying consolidated balance sheets. Fair market value of mutual funds is measured using Level 1 inputs (quoted prices for identical assets in active markets).

The following tables present the Company's assets measured at fair value on a recurring basis as of December 29, 2024 and December 31, 2023 (in thousands):

	December 29, 2024	Level 1	Level 2	Level 3
Assets:				
Investments in rabbi trust	\$ 1,821	\$ 1,821	\$ —	\$ —
Total assets measured at fair value	<u>\$ 1,821</u>	<u>\$ 1,821</u>	<u>\$ —</u>	<u>\$ —</u>
	December 31, 2023	Level 1	Level 2	Level 3
Assets:				
Investments in rabbi trust	\$ 2,079	\$ 2,079	\$ —	\$ —
Total assets measured at fair value	<u>\$ 2,079</u>	<u>\$ 2,079</u>	<u>\$ —</u>	<u>\$ —</u>

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Assets and liabilities recognized or disclosed at fair value on the consolidated financial statements on a nonrecurring basis include items such as property, plant and equipment, right of use assets, and intangible assets. These assets are measured at fair value if determined to be impaired.

During fiscal 2024, 2023, and 2022, the Company measured non-financial assets for impairment using continuing and projected future cash flows, as discussed in Note 4. Impairment and Other Charges (Gains), net, which were based on significant inputs not observable in the market and thus represented a Level 3 fair value measurement.

Based on our fiscal 2024, 2023, and 2022 impairment analyses, we impaired long-lived assets at 58, 19 and 46 locations with carrying values of \$71.3 million, \$36.5 million, and \$80.4 million, respectively. We determined the fair value of these long-lived assets in fiscal 2024, 2023, and 2022 to be \$39.4 million, \$27.4 million and \$42.4 million, respectively, based on Level 3 fair value measurements.

Liquor licenses with indefinite lives are reviewed for impairment annually or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. If the carrying amount is not recoverable, we record an impairment charge for the excess of the carrying amount over the fair value. We determine fair value based on quoted prices in the active market for the license in the same or similar jurisdictions, representing a Level 1 fair value measurement. During the fourth quarter of fiscal 2024, the Company performed its annual review of its indefinite lived liquor licenses that had a carrying value of \$5.2 million, and recorded impairment charges of \$1.1 million to indefinite-lived intangibles in fiscal 2024. Impairment charges of \$0.2 million were recorded to liquor licenses with indefinite lives in fiscal 2023 and \$0.5 million impairment charges were recorded in fiscal 2022.

Disclosures of Fair Value of Other Assets and Liabilities

The Company's liability under its Credit Facility is carried at historical cost in the accompanying consolidated balance sheets. As of December 29, 2024, the fair value of the Credit Facility was approximately \$186.6 million and the principal amount carrying value was \$189.5 million. The Credit Facility term loan is reported net of \$7.8 million in unamortized discount and debt issuance costs in the consolidated balance sheet as of December 29, 2024. The carrying value approximated the fair value of the Credit Facility as of December 31, 2023, as the interest rate on the instrument approximated current market rates. The interest rate on the Credit Facility represents a Level 2 fair value input.

10. Leases

The Company's finance and operating lease assets and liabilities as of December 29, 2024 and December 31, 2023 as follows (in thousands):

	Finance ⁽¹⁾	Operating ⁽²⁾
December 29, 2024		
Lease assets, net	\$ 5,328	\$ 331,617
Current portion of lease obligations	1,019	50,083
Long-term portion of lease obligations	6,746	345,635
Total	\$ 7,765	\$ 395,718
December 31, 2023		
Lease assets, net	\$ 6,264	\$ 361,609
Current portion of lease obligations	939	43,819
Long-term portion of lease obligations	7,745	383,439
Total	\$ 8,684	\$ 427,258

⁽¹⁾ Finance lease assets and obligations are included in Other assets, net, Accrued liabilities and other current liabilities, and Other non-current liabilities on our December 29, 2024 and December 31, 2023 Consolidated Balance Sheets.

⁽²⁾ Operating lease assets and obligations are included in Operating lease assets, net, Current portion of operating lease liabilities, and Long-term portion of operating lease liabilities on our December 29, 2024 and December 31, 2023 Consolidated Balance Sheets.

The components of lease expense, including variable lease costs primarily consisting of common area maintenance charges and real estate taxes, are included in Occupancy on our consolidated statements of operations and comprehensive loss as follows (in thousands):

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Operating lease cost	\$ 75,059	\$ 72,346	\$ 69,879
Finance lease cost:			
Amortization of right of use assets ⁽¹⁾	936	985	1,121
Interest on lease liabilities ⁽²⁾	438	520	583
Total finance lease cost	\$ 1,374	\$ 1,505	\$ 1,704
Variable lease cost	19,077	19,806	18,965
Total lease costs	\$ 95,510	\$ 93,657	\$ 90,548

⁽¹⁾ Amortization of finance lease right of use assets is recorded to depreciation and amortization in our Consolidated Statements of Operations and Comprehensive Loss.

⁽²⁾ Interest on finance lease liabilities is recorded to interest expense in our Consolidated Statements of Operations and Comprehensive Loss.

Maturities of our lease liabilities as of December 29, 2024 were as follows (in thousands):

	Finance Leases	Operating Leases
2025	\$ 1,432	\$ 82,159
2026	1,410	77,652
2027	1,340	70,464
2028	1,111	62,740
2029	957	53,390
Thereafter	3,175	224,303
Total future lease liability	\$ 9,425	\$ 570,708
Less imputed interest	1,660	174,990
Present value of lease liability	\$ 7,765	\$ 395,718

Supplemental cash flow information in thousands (except other information) related to leases is as follows:

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Cash flows from operating activities			
Cash paid related to lease liabilities			
Operating leases	\$ 83,043	\$ 80,469	\$ 85,400
Finance leases	438	520	583
Cash flows from financing activities			
Cash paid related to lease liabilities			
Finance leases	923	898	1,292
Cash paid for amounts included in the measurement of lease liabilities	<u>\$ 84,404</u>	<u>\$ 81,887</u>	<u>\$ 87,275</u>
Right of use assets obtained in exchange for operating lease obligations	\$ 26,089	\$ 53,915	\$ 13,848
Right of use assets obtained in exchange for finance lease obligations	\$ —	\$ 81	\$ 1,139
Other information related to operating leases as follows:			
Weighted average remaining lease term	8.25	8.68	9.04
Weighted average discount rate	8.62 %	8.15 %	7.25 %
Other information related to financing leases as follows:			
Weighted average remaining lease term	8.47	9.34	10.27
Weighted average discount rate	4.85 %	4.87 %	4.88 %

11. Income Taxes

Loss before income taxes includes the following components for the fiscal years ended December 29, 2024, December 31, 2023, and December 25, 2022 (in thousands):

	2024	2023	2022
U.S.	\$ (77,641)	\$ (20,894)	\$ (77,976)
Foreign	10	(24)	(160)
Loss before income taxes	<u>\$ (77,631)</u>	<u>\$ (20,918)</u>	<u>\$ (78,136)</u>

Income tax expense (benefit) for the fiscal years ended December 29, 2024, December 31, 2023, and December 25, 2022 consist of the following (in thousands):

	2024	2023	2022
Current:			
Federal	\$ (37)	\$ 37	\$ 374
State	(53)	273	373
Foreign	—	—	—
Total current income tax expense (benefit)	<u>\$ (90)</u>	<u>\$ 310</u>	<u>\$ 747</u>
Deferred:			
Federal	\$ —	\$ —	\$ —
State	—	—	—
Foreign	—	—	—
Total deferred income tax expense (benefit)	<u>—</u>	<u>—</u>	<u>—</u>
Income tax expense (benefit), net	<u>\$ (90)</u>	<u>\$ 310</u>	<u>\$ 747</u>

The reconciliation between the income tax expense (benefit) and the amount of income tax computed by applying the U.S. federal statutory rate to loss before income taxes as shown in the accompanying Consolidated Statements of Operations and Comprehensive Loss for fiscal years ended December 29, 2024, December 31, 2023, and December 25, 2022 is as follows:

	2024	2023	2022
Tax provision at U.S. federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes	3.8	4.2	4.0
Valuation allowance on deferred income tax assets	(25.6)	(22.3)	(24.2)
Excess stock options	(0.8)	(3.3)	(1.1)
Other	1.7	(1.1)	(0.7)
Effective tax rate	<u>0.1 %</u>	<u>(1.5)%</u>	<u>(1.0)%</u>

The Company's federal and state deferred taxes at December 29, 2024 and December 31, 2023 are as follows (in thousands):

	2024	2023
Deferred tax assets:		
Leasing transactions	\$ 104,831	\$ 113,963
General business and other tax credits	41,009	40,441
Net operating loss carryover	50,688	44,131
Accrued compensation and related costs	4,810	5,361
Goodwill	7,250	7,244
Stock-based compensation	6,423	6,333
Advanced payments	—	628
Interest expense	15,938	11,345
Property & Equipment	8,318	—
Other non-current deferred tax assets	1,594	2,478
Subtotal	<u>240,861</u>	<u>231,924</u>
Valuation allowance	(136,595)	(119,861)
Total	<u>\$ 104,266</u>	<u>\$ 112,063</u>
Deferred tax liabilities:		
Leasing transactions	\$ (89,804)	\$ (97,386)
Property and equipment	—	(1,242)
Supplies inventory	(4,349)	(4,415)
Prepaid expenses	(1,862)	(1,472)
Advanced Payments	(364)	—
Other non-current deferred tax liabilities	(7,887)	(7,548)
Total	<u>\$ (104,266)</u>	<u>\$ (112,063)</u>
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>

The Company had net operating loss carryforwards for tax purposes of \$50.7 million as of December 29, 2024. This is comprised of approximately \$22.7 million of federal net operating loss carryovers, approximately \$19.3 million of state net operating loss carryovers, and approximately \$8.7 million of foreign net operating loss carryovers. The federal net operating loss has an indefinite carryforward period, the state net operating loss carryovers expire at various dates between 2025 and 2044, and the foreign net operating loss carryovers expire at various dates between 2035 and 2042.

As of December 29, 2024, the Company had a deferred tax asset of \$39.8 million related to federal tax credits, which expire at various dates between 2037 and 2041. The Company also had a deferred tax asset of \$1.2 million related to state tax credits which expire in 2025.

The Company establishes a valuation allowance to reduce the carrying amount of deferred income tax assets when it is more likely than not that it will not realize some portion or all the tax benefit of its deferred income tax assets. The realization of deferred tax assets depends on the generation of future taxable income during the periods in which the temporary differences become deductible. In making this determination, the Company considers all available positive and negative evidence including

historical operating losses, the reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies. In 2020, management determined that a full valuation allowance was required and has recorded a full valuation allowance as of December 29, 2024 and at December 31, 2023.

Based on the Company's evaluation of its deferred tax assets, a valuation allowance of approximately \$136.6 million has been recorded against the deferred tax asset for federal and state tax credits, federal and state deferred tax assets, all net operating loss carry forwards and the deferred taxes of our foreign subsidiary.

The following table summarizes the Company's unrecognized tax benefits at December 29, 2024, December 31, 2023, and December 25, 2022 (in thousands):

	2024	2023	2022
Beginning of year	\$ 185	\$ 185	\$ 32
Increase due to current year tax positions	—	—	177
Due to decrease to a position taken in a prior year	—	—	—
Settlements	—	—	—
Reductions related to lapses in the statute of limitations	(134)	—	(24)
End of year	<u>\$ 51</u>	<u>\$ 185</u>	<u>\$ 185</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is approximately \$0.1 million. The Company does not anticipate significant changes in the aggregate amount of unrecognized tax benefits within the next 12 months, other than nominal tax settlements. The Company expects the unrecognized tax benefits to reduce to zero during 2025.

12. Commitments and Contingencies

Because litigation is inherently unpredictable, assessing contingencies related to litigation is a complex process involving highly subjective judgment about potential outcomes of future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated, or unrelated to possible outcomes, and as such are not meaningful indicators of our potential liability or financial exposure. Accordingly, we review the adequacy of accruals and disclosures each quarter in consultation with legal counsel, and we assess the probability and range of possible losses associated with contingencies for potential accrual in the consolidated financial statements. However, the ultimate resolution of litigated claims may differ from our current estimates.

In the normal course of business, there are various claims in process, matters in litigation, administrative proceedings, and other contingencies, certain of which are covered by insurance policies. These include employment related claims and class action lawsuits, claims from Guests or Team Members alleging illness, injury, food quality, health, or operational concerns, and lease and other commercial disputes. While it is not possible to predict the outcome of these suits, legal proceedings, and claims with certainty, management is of the opinion that adequate provision for potential losses associated with these matters has been made in the financial statements and that the ultimate resolution of pending or threatened matters will not have a material adverse effect on our financial position and results of operations. However, a significant increase in the number of these claims, or one or more successful claims resulting in greater liabilities than we currently anticipate, could materially and adversely affect our business, financial condition, results of operations, and cash flows.

As of December 29, 2024, we had reserves of \$4.4 million for loss contingencies included within Accrued liabilities and other on our Consolidated Balance Sheet. In the normal course of business, there are various claims in process, matters in litigation, administrative proceedings, and other contingencies. These include employment related claims and class action lawsuits, claims from Guests or Team Members alleging illness, injury, food quality, health, or operational concerns, and lease and other commercial disputes. We recorded estimated loss contingency reserves of approximately \$1.0 million for the year ended December 29, 2024 related to ongoing litigation matters. We ultimately may be subject to greater or less than the accrued amount for this and other matters.

As of December 29, 2024, we had non-cancellable purchase commitments primarily related to certain vendors who provide food and beverages and other supplies to our restaurants, for an aggregate of \$142.1 million. We expect to fulfill our commitments under these agreements in the normal course of business, and as such, no liability has been recorded.

13. Stockholders' Deficit

On December 3, 2024 the Company entered into an Equity Purchase Agreement with JCP Investment Management, LLC and certain of its affiliates (collectively, "JCP") and Jumana Capital, LLC and certain of its affiliates (collectively, "Jumana," and together with the JCP Parties, the "Investor Parties"), pursuant to which the Investor Parties purchased an aggregate of 1,600,909 shares of Common Stock, at a purchase price of \$5.19 per share, resulting in \$8.3 million in gross proceeds.

On August 9, 2018, the Company's Board of Directors authorized an increase to the Company's share repurchase program of approximately \$21 million to a total of \$75 million of the Company's common stock. The increased share repurchase authorization became effective on August 9, 2018 and will terminate upon completing repurchases of \$75 million of common stock unless otherwise terminated by the board. Purchases under the repurchase program may be made in open market or privately negotiated transactions. Purchases may be made from time to time at the Company's discretion, and the timing and amount of any share repurchases will be determined based on share price, market conditions, legal requirements, and other factors. The repurchase program does not obligate the Company to acquire any particular amount of common stock, and the Company may suspend or discontinue the repurchase program at any time. In fiscal 2024, the Company did not repurchase any shares under its share repurchase program. From the date of the current program approval through December 29, 2024, we have repurchased a total of 1,088,588 shares at an average price of \$15.18 per share for an aggregate amount of \$16.5 million. Accordingly, as of December 29, 2024, we had \$58.5 million of availability under the current share repurchase program.

14. Stock Incentive Plans

In May 2024, the Company's stockholders approved the 2024 Performance Incentive Plan (the "2024 Stock Plan"). Following the date of approval, all grants are made under the 2024 Stock Plan and no new awards may be granted under the Second Amended and Restated 2017 Performance Incentive Plan (the "2017 Stock Plan"). The 2024 Stock Plan authorizes the issuance of stock options, stock appreciation rights (SARs), and other forms of awards granted or denominated in the Company common stock or unit of the Company's common stock, as well as cash performance awards pursuant to the plan. Persons eligible to receive awards under the 2024 Stock Plan include officers, employees, directors, consultants, and other service providers or any affiliate of the Company. The maximum number of shares of the Company's common stock that may be issued or transferred pursuant to awards granted under the 2024 Stock Plan is 2,072,163 shares.

Vesting of the awards under the 2024 Stock Plan is determined at the date of grant by the plan administrator. Each award granted under the 2024 Stock Plan and the 2017 Stock Plan may become exercisable and/or payable, as applicable, upon a change in control event described in the applicable Stock Plan. Each award expires on such date as shall be determined at the date of grant; however, the maximum term of options, SARs, and other rights to acquire common stock under the plan is ten years after the initial date of the award, subject to provisions for further deferred payment in certain circumstances. Vesting of awards under these plans were generally time based over a period of one year to four years. As of December 29, 2024, 70,235 and 1,162,500 options and awards to acquire the Company's common stock remained outstanding under the 2007 Stock Plan and the 2017 Stock Plan, respectively; all remaining options and awards are outstanding under the 2024 Stock Plan.

Stock-based compensation costs recognized in fiscal 2024, 2023, and 2022 were \$6.9 million, \$6.8 million, and \$6.3 million with related income tax benefits of \$0.5 million, \$0.8 million, and \$0.6 million. The fiscal 2022 costs were comprised of \$9.6 million stock-based compensation, partially offset by a \$3.3 million reduction due to Executive Team forfeitures recorded in Impairment and other charges in the Consolidated Statements of Operations and Comprehensive Loss.

As of December 29, 2024, there was \$9.3 million of unrecognized compensation cost, excluding estimated forfeitures. Unrecognized compensation costs are expected to be recognized over the weighted average remaining vesting period of approximately one year for the restricted stock units ("RSU") and 1.62 years for the performance stock units ("PSU"). There is no unrecognized compensation cost for stock options in the year ended December 29, 2024.

Performance Stock Units

During fiscal 2024, 2023, and 2022, the Company granted performance stock unit awards ("PSUs") to certain employees as permitted under the 2017 Stock Plan and the 2024 Stock Plan. Each PSU represents the right to receive one share of the Company's common stock on the payment date.

The PSU awards use a performance metric based on relative total stockholder return defined as increases in the Company's stock price during a performance period of three years as compared to the total stockholder return of a group of peer companies. Fair value of each PSU granted is determined by a Monte Carlo valuation model, and expense is recognized straight line over the performance period. PSUs remain unvested until the last day of the three-year performance period and are generally forfeited in the event of termination of employment of a grantee prior to the last day of the three-year performance period. If the relative total stockholder return target is not met, compensation cost for these PSUs is not reversed.

The table below summarizes the status of the Company's performance stock units under the 2017 Stock Plan and the 2024 Stock Plan (shares in thousands):

	Performance Stock Units	
	Shares	Weighted Average Grant-Date Fair Value (per share)
Outstanding, December 31, 2023	427	\$ 23.38
Awarded	552	9.11
Forfeited	(43)	14.23
Vested	—	—
Outstanding, December 29, 2024 ⁽¹⁾	936	\$ 13.62

⁽¹⁾ Awards expected to vest are the result of applying the pre-vesting forfeiture rate assumption to total outstanding awards. The Company applies estimated forfeiture rates that are derived from our historical forfeitures of similar awards.

Inducement Grants

In prior years, the Company granted stock-based awards to certain of the Company's new executive officers as inducements material to their commencement of employment and entry into an employment agreement with the Company. The inducement grants were made in accordance with Nasdaq Listing Rule 5635(c)(4) and were not made under the 2017 Plan.

The inducement grants, which include PSU and RSU awards, are generally subject to substantially the same terms and conditions as grants that are made under the 2017 Plan and fair value is determined in the same manner as described for each grant type above.

The table below summarizes the status of the Company' inducement grants (shares in thousands):

	Restricted Stock Units		Performance Stock Units	
	Shares	Weighted Average Grant-Date Fair Value (per share)	Shares	Weighted Average Grant-Date Fair Value (per share)
Outstanding, December 31, 2023	125	\$ 7.57	124	\$ 6.13
Awarded	—	—	—	—
Forfeited	—	—	—	—
Vested	(63)	7.57	—	—
Outstanding, December 29, 2024 ⁽¹⁾	62	\$ 7.57	124	\$ 6.13

⁽¹⁾ Awards expected to vest are the result of applying the pre-vesting forfeiture rate assumption to total outstanding awards. The Company applies estimated forfeiture rates that are derived from our historical forfeitures of similar awards.

Long-Term Cash Incentive Plan

Beginning in 2020, the long-term cash incentive plan is based on relative total stockholder return defined as increases in the Company's stock price during a performance period of 3 years as compared to the total stockholder return of a group of peer companies. Compensation is recognized variably over the 3-year performance period based on a Monte Carlo valuation model. Beginning in 2017, the long-term cash incentive plan was based on operational metrics with three-year performance periods. Compensation expense for awards granted before 2020 is recognized variably over the performance period based on the plan-to-date performance achievement. All long-term cash incentive awards cliff vest after three years at the end of each performance cycle. In fiscal years 2024, 2023, and 2022, the Company recorded \$(0.1) million, \$(0.1) million, and \$(0.4) million, respectively in compensation expense (benefit) to Selling, general, and administrative expenses in the consolidated

statements of operations and comprehensive loss related to the 2017 long-term cash incentive plan. The amounts recorded in fiscal 2024 and fiscal 2023 include the reversal of the expense related to 2021 and 2020 grants for which performance targets were not met.

During fiscal 2024 and 2023, there were no long-term cash incentive plan payouts. At December 29, 2024 and December 31, 2023, a \$0.3 million and \$0.4 million long-term cash incentive plan liability was included in Accrued payroll and payroll-related liabilities on the consolidated balance sheets.

15. Employee Benefit Programs

Employee Deferred Compensation Plan

The Company offers a deferred compensation plan that permits key employees and other members of management defined as highly compensated employees under the IRS code to defer portions of their compensation in a pre-tax savings vehicle that allows for retirement savings above 401(k) limits. Under this plan, eligible Team Members may elect to defer up to 75% of their base salary and up to 100% of variable compensation and commissions each plan year.

The assets of the deferred compensation plan are held in a rabbi trust, where they are invested in certain mutual funds that cover an investment spectrum ranging from equities to money market instruments and are available to satisfy the claims of the Company's creditors in the event of bankruptcy or insolvency. These mutual funds have published market prices and are reported at fair value. See Note 9. Fair Value Measurements. Changes in the market value of the investments held in the trust result in the recognition of a corresponding gain or loss reported in Interest income and other, net in the Consolidated Statements of Operations and Comprehensive Loss. A corresponding change in the liability associated with the deferred compensation plan results in an offsetting deferred compensation expense, or reduction of expense, reported in Selling, general, and administrative expenses in the Consolidated Statements of Operations and Comprehensive Loss.

The Company recognized \$0.3 million, \$0.4 million, and \$0.8 million in deferred compensation expense in fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

As of December 29, 2024 and December 31, 2023, \$1.7 million and \$2.1 million of deferred compensation assets are included in Other assets, net, in the accompanying Consolidated Balance Sheets. As of December 29, 2024 and December 31, 2023, \$0.1 million and \$0.4 million of this deferred compensation is included in Prepaid expenses and other current assets in the accompanying Consolidated Balance Sheets.

As of December 29, 2024 and December 31, 2023, \$1.7 million and \$1.7 million of deferred compensation plan liabilities are included in Other non-current liabilities in the accompanying Consolidated Balance Sheets. As of December 29, 2024, and December 31, 2023, \$0.1 million and \$0.4 million of this deferred compensation is included in Accrued liabilities and other in the accompanying Consolidated Balance Sheets.

Employee Stock Purchase Plan

In July 2017, the Company adopted the Amended and Restated Employee Stock Purchase Plan (the "ESPP Plan"). The ESPP Plan authorized 100,000 shares of the Company's common stock for issuance. In May 2020, our Board of Directors authorized the issuance of an additional 150,000 shares of the Company's common stock under the ESPP Plan. In December 2022, our Board of Directors authorized, and at our 2023 Annual Meeting of Stockholders, our stockholders approved, the issuance of an additional 350,000 shares of the Company's common stock under the ESPP Plan increasing the shares authorized to be granted under the ESPP Plan to a total of 600,000 shares. Under the ESPP Plan, eligible Team Members may voluntarily contribute up to 15% of their salary, subject to limitations, to purchase common stock at a price equal to 85% of the fair market value of a share of the Company's common stock on the first day of each offering period or 85% of the fair market value of a share of the Company's common stock on the last day of each offering period, whichever amount is less. In general, all of the Company's officers and Team Members who have been employed by the Company for at least one year and who are regularly scheduled to work more than 20 hours per week are eligible to participate in this plan, which operates in the successive six months commencing on January 1 and July 1 of each fiscal year. During fiscal 2024, the Company issued a total of 42,592 shares under the ESPP Plan with 226,803 shares available for future issuance. During fiscal 2023, the Company issued a total of 136,190 shares under the ESPP Plan.

For fiscal 2024, in accordance with the guidance for accounting for stock compensation, the Company estimated the fair value of the awards granted pursuant to the stock purchase plan using the Black-Scholes multiple-option pricing model. The assumptions used in the model included risk-free interest rates from 5.03% to 3.98%, 0.5 year expected life, expected volatilities from 55.25% to 55.76%, and 0% dividend yield. The weighted average fair value per share at grant date was \$0.93. For fiscal 2023, the assumptions used in the model included 5.46% risk-free interest rate, 0.5 year expected life, expected volatility of 55.25%, and 0% dividend yield. The weighted average fair value per share at grant date was \$1.72. For fiscal 2022, the assumptions used in the model included 4.05% risk-free interest rate, 0.5 year expected life, expected volatility of 55.00%.

and 0% dividend yield. The weighted average fair value per share at grant date was \$0.99. The Company recognized \$0.1 million of compensation expense related to this plan in fiscal 2024, \$0.1 million in fiscal 2023, and \$0.1 million in fiscal 2022.

Employee Defined Contribution Plan

The Company maintains a 401(k) Savings Plan ("401k Plan") which covers eligible Team Members who have satisfied the service requirements and reached 21 years of age. The 401k Plan, which qualifies under Section 401(k) of the Internal Revenue Code, allows Team Members to defer specified percentages of their compensation on a pre-tax basis. The Company may make matching contributions in an amount determined by the Board of Directors. In addition, the Company may contribute each period, at its discretion, an additional amount from profits. Employer matching contributions equal to 100% of the first 3% of compensation and 50% on the next 2% of compensation. The Company matches contributions when the employee contribution is made, and the employer matching contributions are not subject to a vesting schedule. The Company recognized matching contribution expense of \$3.3 million in fiscal 2024, \$3.0 million in fiscal 2023, and \$2.9 million in fiscal 2022.

16. Acquisitions and Dispositions

As of December 29, 2024, the land and building assets at three owned restaurant locations were classified as held for sale. These long-lived assets have a total carrying amount of \$4.3 million as of December 29, 2024, and are included in Assets held for sale in our consolidated balance sheets. We expect to close on the sale of these assets during the first quarter of fiscal 2025. As the fair value of these assets is greater than their carrying amounts as of December 29, 2024, there is no gain or loss to record in our consolidated statements of operations and comprehensive loss until the transaction is closed.

During fiscal 2023, the Company acquired certain assets and liabilities of five restaurants from one of its U.S. franchisees for cash consideration of \$3.5 million. The Company acquired \$2.6 million of property and equipment, net, \$0.8 million of operating lease liabilities, net of operating lease assets, \$0.3 million of other assets, net of liabilities, and \$1.4 million of intangible assets, net.

17. Segment Reporting

In accordance with Segment Reporting, the Company uses the management approach for determining its reportable segments. The management approach is based upon the way that management reviews performance and allocates resources.

The Company has one operating and one reportable segment: restaurants. We manage our business activities on a consolidated basis, as Red Robin restaurants all have similar customers, sell similar products, and have a similar process to sell those products. We primarily derive our revenue in the United States through the sale of food and beverage through its Company-owned locations as well as earn franchise fees from franchise restaurants. The accounting policies of the restaurant segment are the same as those described in Note 1. Description of Business and Summary of Significant Accounting Policies.

Our Chief Operating Decision Maker ("CODM") is our Chief Executive Officer. The Company measures segment profit using consolidated Net income (loss). The CODM uses consolidated Net income (loss), as reported on our Consolidated Statements of Operations and Comprehensive Loss, in deciding whether to reinvest excess cash flow into the restaurant segment or into other parts of the Company. The CODM does not review assets in evaluating the results of the restaurant segment, and therefore, such information is not presented.

Financial information for the Company's reportable segment is as follows (in thousands):

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Revenues:			
Restaurant revenue	\$ 1,224,254	\$ 1,274,294	\$ 1,230,189
Franchise revenue	14,941	15,867	19,306
Other revenue	9,365	12,885	16,039
Total revenues	<u>1,248,560</u>	<u>1,303,046</u>	<u>1,265,534</u>
Costs and expenses:			
Cost of sales	292,392	308,962	306,509
Labor	479,631	473,538	440,564
Other operating	216,242	224,999	224,704
Occupancy	103,359	102,761	98,868
General and administrative expenses	81,721	89,360	84,912
Selling	36,719	34,770	51,700
Other segment items ⁽¹⁾	33,848	(2,076)	39,529
Depreciation and amortization	57,729	66,190	76,245
Interest expense, net and other	24,550	25,460	20,639
Income tax expense (benefit)	(90)	310	747
Segment net income (loss)	<u>\$ (77,541)</u>	<u>\$ (21,228)</u>	<u>\$ (78,883)</u>

⁽¹⁾ Other segment items consists primarily of impairment and other charges (gains) and pre-opening costs.

GUARANTEE OF PERFORMANCE

For value received, Red Robin Gourmet Burgers, Inc., a Delaware corporation (the "Guarantor"), located at 10000 E. Geddes Ave., Suite 500, Englewood, Colorado 80112, absolutely and unconditionally guarantees to assume the duties and obligations of Red Robin International, Inc., located at 10000 E. Geddes Ave., Suite 500, Englewood, Colorado 80112 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns. The Guarantor signs this guarantee at Englewood, Colorado on June 10, 2025.

GUARANTOR: RED ROBIN GOURMET BURGERS, INC.,
a Delaware corporation

By:


Sarah Mussetter
Chief Legal Officer

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT, PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

PART I — FINANCIAL INFORMATION

ITEM 1. Financial Statements (unaudited)

**RED ROBIN GOURMET BURGERS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(in thousands, except for per share amounts)

	July 13, 2025	December 29, 2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 24,370	\$ 30,651
Accounts receivable and other, net	12,718	19,688
Inventories	26,295	26,737
Prepaid expenses and other current assets	12,102	13,608
Restricted cash	9,173	8,750
Total current assets	<u>84,658</u>	<u>99,434</u>
Property and equipment, net	173,822	181,224
Operating lease assets, net	306,519	331,617
Intangible assets, net	10,024	11,064
Assets held for sale	—	4,313
Other assets, net	11,885	13,662
Total assets	<u>\$ 586,908</u>	<u>\$ 641,314</u>
Liabilities and stockholders' equity:		
Current liabilities:		
Accounts payable	\$ 28,476	\$ 29,783
Accrued payroll and payroll-related liabilities	41,724	39,672
Unearned revenue	16,115	27,083
Current portion of operating lease liabilities	51,086	50,083
Accrued liabilities and other	47,580	42,931
Total current liabilities	<u>184,981</u>	<u>189,552</u>
Long-term debt	163,079	181,641
Long-term portion of operating lease liabilities	309,034	345,635
Other non-current liabilities	8,457	8,755
Total liabilities	<u>665,551</u>	<u>725,583</u>
Commitments and contingencies (see Note 8. Commitments and Contingencies)		
Stockholders' equity (deficit):		
Common stock; \$0.001 par value: 45,000 shares authorized; 22,050 shares issued; 17,886 and 17,403 shares outstanding as of July 13, 2025 and December 29, 2024	22	22
Preferred stock, \$0.001 par value: 3,000 shares authorized; no shares issued and outstanding as of July 13, 2025 and December 29, 2024	—	—
Treasury stock 4,164 and 4,647 shares, at cost, as of July 13, 2025 and December 29, 2024	(147,645)	(164,937)
Paid-in capital	216,757	233,667
Accumulated other comprehensive loss, net of tax	(60)	(62)
Accumulated deficit	(147,717)	(152,959)
Total stockholders' equity (deficit)	<u>(78,643)</u>	<u>(84,269)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 586,908</u>	<u>\$ 641,314</u>

See Notes to Condensed Consolidated Financial Statements

RED ROBIN GOURMET BURGERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in thousands)	Twenty-Eight Weeks Ended	
	July 13, 2025	July 14, 2024
Cash flows from operating activities:		
Net income (loss)	\$ 5,242	\$ (18,949)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	27,013	31,556
Asset impairment	720	1,128
Non-cash other gains, net	(3,926)	539
Stock-based compensation expense	(89)	3,046
Gain on sale of restaurant property	(1,137)	(7,425)
Other, net	2,488	1,074
Changes in operating assets and liabilities:		
Accounts receivable and other, net	6,793	8,975
Inventories	43	(492)
Prepaid expenses and other current assets	943	(86)
Operating lease assets, net of liabilities	(5,614)	(224)
Trade accounts payable and accrued liabilities	7,050	16,171
Unearned revenue	(10,968)	(19,364)
Other operating assets and liabilities, net	953	(1,703)
Net cash provided by operating activities	<u>29,511</u>	<u>14,246</u>
Cash flows from investing activities:		
Purchases of property, equipment, and intangible assets	(18,500)	(13,856)
Net proceeds from sale of property, equipment, and other	6,118	23,271
Net cash provided by (used in) investing activities	<u>(12,382)</u>	<u>9,415</u>
Cash flows from financing activities:		
Net (repayments) borrowings on revolving credit facility	(17,500)	—
Repayments on term loan	(2,770)	(21,232)
Repayments of finance lease obligations	(517)	(619)
Repayments of insurance premium financing	(2,673)	(2,062)
Proceeds (uses) from other financing activities, net	473	(184)
Net cash used in financing activities	<u>(22,987)</u>	<u>(24,097)</u>
Effect of exchange rate changes on cash	—	(2)
Net change in cash and cash equivalents, and restricted cash	<u>(5,858)</u>	<u>(438)</u>
Cash and cash equivalents, and restricted cash, beginning of period	39,401	31,565
Cash and cash equivalents, and restricted cash, end of period	<u>\$ 33,543</u>	<u>\$ 31,127</u>
Supplemental disclosure of cash flow information		
Income taxes paid, net	\$ (79)	\$ 47
Interest paid, net of amounts capitalized	\$ 11,206	\$ 10,767
Accrued purchases of property, equipment, and intangible assets	\$ 3,550	\$ 1,136
Right of use assets obtained in exchange for operating lease obligations	\$ 8,821	\$ 17,832

RED ROBIN GOURMET BURGERS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

I. Basis of Presentation and Recent Accounting Pronouncements

Red Robin Gourmet Burgers, Inc., a Delaware corporation, together with its subsidiaries ("Red Robin" or the "Company"), primarily operates, franchises, and develops full-service restaurants in North America. As of July 13, 2025, the Company owned and operated 397 restaurants located in 39 states. The Company also had 90 franchised full-service restaurants in 13 states and one Canadian province. The Company operates its business as one operating and one reportable segment.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Red Robin and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The results of operations for any interim period are not necessarily indicative of results for the full year.

The accompanying Condensed Consolidated Financial Statements of Red Robin have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"), including the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in the Company's annual Consolidated Financial Statements on Form 10-K have been condensed or omitted. The Condensed Consolidated Balance Sheet as of December 29, 2024 has been derived from the audited Consolidated Financial Statements as of that date but does not include all disclosures required for audited annual financial statements. For further information, please refer to and read these interim Condensed Consolidated Financial Statements in conjunction with the Company's audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2024 filed with the SEC on February 26, 2025.

Our current, prior, and upcoming fiscal year periods, period end dates, and number of weeks included in each period are summarized in the table below:

Periods	Period End Date	Number of Weeks in Period
<i>Current, Prior and Upcoming Fiscal Quarters:</i>		
First Quarter 2025	April 20, 2025	16
First Quarter 2024	April 21, 2024	16
Second Quarter 2025	July 13, 2025	12
Second Quarter 2024	July 14, 2024	12
Third Quarter 2025	October 5, 2025	12
Third Quarter 2024	October 6, 2024	12
<i>Current and Prior Fiscal Years:</i>		
Fiscal Year 2025	December 28, 2025	52
Fiscal Year 2024	December 29, 2024	52
<i>Upcoming fiscal year:</i>		
Fiscal Year 2026	December 27, 2026	52

EXHIBIT B
AREA DEVELOPMENT AGREEMENT

EXHIBIT C
FRANCHISE AGREEMENT

EXHIBIT D

STATE ADMINISTRATORS / AGENTS FOR SERVICE OF PROCESS

**EXHIBIT D-1
STATE ADMINISTRATORS**

STATE	STATE ADMINISTRATOR	ADDRESS
California	Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 Toll Free Telephone #: 1-866-275-2677
Hawaii	Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of The Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Maryland	Office of The Attorney General Securities Division	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Consumer Protection Division Franchise Section	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York	New York State Department of Law Bureau of Investor Protection and Securities	120 Broadway, 23rd Floor New York City, NY 10271
North Dakota	North Dakota Insurance & Securities Department	600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, ND 58505-0510 Phone: 701-328-4712
Rhode Island	Department of Business Regulation Securities Division	1511 Pontiac Ave Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Securities	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia	Virginia State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division	150 Israel Rd. S.W. Tumwater, WA 98501
Wisconsin	Department of Financial Institutions Securities Division	345 W. Washington, 4th Floor Madison, WI 55103

EXHIBIT D-2
AGENTS FOR SERVICE OF PROCESS

STATE	AGENT	ADDRESS
California	Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-1105
Hawaii	Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, Il 62706
Indiana	Indiana Secretary of State	302 W Washington Street, Room E-111, Indianapolis, IN 46204
Maryland	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Commerce Corporations and Securities Bureau	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Commissioner of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York	Secretary of State of the State of New York	41 State Street Albany, NY 12231-0001
North Dakota	Insurance Commissioner	600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, ND 58505-0510 Phone: 701-328-4712
Rhode Island	Director of the Department of Business Regulation	1511 Pontiac Avenue Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Securities	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions	150 Israel Rd. S.W. Tumwater, WA 98501
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 345 W. Washington Ave., 4th Floor Madison, WI 53701

EXHIBIT E

LIST OF FRANCHISE RESTAURANT LOCATIONS AND AREA DEVELOPERS

EXHIBIT E

LIST OF FRANCHISE RESTAURANT LOCATIONS AND AREA DEVELOPERS

RESTAURANT LOCATION	ADDRESS	PHONE NUMBERS	OWNER(S)/OPERATOR(S)	DATE OPENED
ALASKA Anchorage	401 E. Dimond Blvd. Anchorage, AK 99515	(907) 522-4321	Gourmet Ventures, Inc. Fred Rosenberg	11/1985
ALASKA Anchorage	1190 N. Muldoon Road, Unit E Anchorage, AK 99504	(907) 276-7788	Gourmet Ventures, Inc. Fred Rosenberg	10/2010
ALASKA Wasilla	1891 E. Parks Highway Wasilla, AK 99654	(907) 373-7373	Gourmet Ventures, Inc. Fred Rosenberg	12/2010
ARIZONA Tempe	1375 W. Elliott Tempe, AZ 85284	(480) 940-9900	Tucson Robinhood, Inc. Mary Dillard	06/1991
DELAWARE Brandywine	6100 Brandywine Pkwy Wilmington, DE 19803	(302) 478-3484	Colby Restaurant Group Craig Colby	06/2008
DELAWARE Middletown	140 Commerce Drive Middletown, DE 19709	(302) 478-3484	Colby Restaurant Group Craig Colby	05/2019
DELAWARE Glasgow	People's Place 2496 Pulaski Hwy Glasgow, DE 19702	(302) 834-8050	Colby Restaurant Group Craig Colby	05/2004
DELAWARE Dover	40 N. Dupont Hwy Dover, DE 19901	(302) 459-3300	Colby Restaurant Group Craig Colby	07/2020
DELAWARE Newark	101 W. Main Street Newark, DE 19702	(302) 455-9000	Colby Restaurant Group Craig Colby	2/2007
KANSAS Olathe	20155 W. 153 rd Olathe, KS 66061	(913) 390-1400	PB&J Robin, LLC Paul Khoury, s	04/2005
KANSAS Wichita	7355 West Taft Wichita< KS 67209	(316) 219-2939	PB&J Robin, LLC Paul Khoury, s	06/2022
KANSAS Overland Park	8657 W. 135 th Overland Park, KS 66223	(913) 239-0926	PB&J Robin, LLC Paul Khoury, s	11/2003
KANSAS Topeka	6230 SW 6 th Street Topeka, KS 66615	(785) 271-5400	PB&J Robin, LLC Paul Khoury, s	09/2005
KANSAS East Wichita	9990 E. 13 th St. Wichita, KS 67206	(316) 425-6300 (PB&J Robin, LLC Paul Khoury, s	08/2004
MICHIGAN Ann Arbor	575 Briarwood Circle Ann Arbor, MI, 48108	(734) 997-9550	Ansara Restaurant Group, Inc. Victor Ansara	5/2010
MICHIGAN Brighton	8522 West Grand River Brighton, MI 48116	(810) 534-1000	Ansara Restaurant Group, Inc. Victor Ansara	04/2002
MICHIGAN Clinton Township	15780 Hall Road Clinton Township, MI 48038	(586) 286-9236	Ansara Restaurant Group, Inc. Victor Ansara	03/2003
MICHIGAN Commerce	3003 Commerce Crossing Commerce, MI 48390	(269) 552-4237	Ansara Restaurant Group, Inc. Victor Ansara	06/2006
MICHIGAN Flint	4141 Miller Rd. Flint, MI 48507	(810) 733-8505	Ansara Restaurant Group, Inc. Victor Ansara	11/2004
MICHIGAN Grandville	3722 Potomoc Circle Grandville, MI 49418	(616) 257-3962	Ansara Restaurant Group, Inc. Victor Ansara	10/2005
MICHIGAN Holland	3379 W. Shore Drive Holland, MI 49424	(269) 552-4237	Ansara Restaurant Group, Inc. Victor Ansara	11/2006
MICHIGAN Kentwood	3195 28 th St S.E. Kentwood, MI 49512	(616) 957-1430	Ansara Restaurant Group, Inc. Victor Ansara	07/2006
MICHIGAN Delta Township	6524 W. Saginaw Hwy. Lansing, MI 48917	(517) 886-7440	Ansara Restaurant Group, Inc. Victor Ansara	02/2004
MICHIGAN Livonia	16995 S. Laurel Park Dr. Livonia, MI 48152	(734) 542-8030	Ansara Restaurant Group, Inc. Victor Ansara	06/2004

RESTAURANT LOCATION	ADDRESS	PHONE NUMBERS	OWNER(S)/OPERATOR(S)	DATE OPENED
MICHIGAN Madison Heights	31805 John R. Road Madison Heights, MI 48071	(248) 577-5870	Ansara Restaurant Group, Inc. Victor Ansara	01/1999
MICHIGAN Muskegon	5785 Harvey Street Norton Shores, MI 49444	(231) 798-4100	Ansara Restaurant Group, Inc. Victor Ansara	09/2007
MICHIGAN Novi	43250 Crescent Blvd. Novi, MI 48375	(248) 349-3220	Ansara Restaurant Group, Inc. Victor Ansara	05/1993
MICHIGAN Pittsfield Township	3797 Carpenter Road Pittsfield Township, MI 48197	(734) 794-2000	Ansara Restaurant Group, Inc. Victor Ansara	01/2002
MICHIGAN Portage	5710 Westnedge Rd. Portage, MI 49002	(269) 552-4237	Ansara Restaurant Group, Inc. Victor Ansara	11/2005
MICHIGAN Roseville	32051 Gratiot Ave. Roseville, MI 48066	(586) 285-9993	Ansara Restaurant Group, Inc. Victor Ansara	10/1999
MICHIGAN Southgate	15777 Eureka Southgate, MI 48195	(734) 285-0009	Ansara Restaurant Group, Inc. Victor Ansara	12/1997
MICHIGAN Troy	5460 Corporate Drive Troy, MI 48098	(248) 265-4690	Ansara Restaurant Group, Inc. Victor Ansara	05/2005
MICHIGAN Westland	36350 West Warren Road Westland, MI 48185	(734) 421-4081	Ansara Restaurant Group, Inc. Victor Ansara	10/1995
MISSOURI Independence	18810 East Highway 40 Independence, MO 64055	(816) 795-5678	PB&J Robin, LLC Paul Khoury, s	04/2003
MISSOURI Liberty	1919 Star Road Liberty, MO 64068	(816) 792-3030	PB&J Robin, LLC Paul Khoury, s	02/2007
MISSOURI Kansas City	8501 NW Prairie View Road Kansas City, MO 64153	(816) 381-8553	PB&J Robin, LLC Paul Khoury, s	05/2018
MONTANA Billings	1595 Grand Ave., Suite 210 Billings, MT 59102	(406) 248-7778	JJM Development Jake Jones	07/1986
NEW JERSEY Hamilton	325 Marketplace Blvd Hamilton, NJ 08691	(609) 585-1100	Colby Restaurant Group, Inc. Craig Colby	10/2005
OHIO Fallen Timbers	3100 Main St., Suite 1500 Maumee, OH 43537	(419) 878-2944	Ansara Restaurant Group, Inc. Victor Ansara	04/2008
OHIO Rossford	9854 Olde US 20 Rossford, OH 43460	(567) 331-6250	Ansara Restaurant Group, Inc. Victor Ansara	12/2023
OHIO Toledo	4850 Monroe Street Toledo, OH 43623	(419) 475-9318	Ansara Restaurant Group, Inc. Victor Ansara	07/2002
OREGON Albany	1845 14 th Avenue, SE Albany, OR 97321	(541) 812-2550	RDC Gregory & Teresa Hubert	09/2001
OREGON Bend	625 SW Powerhouse Drive Bend, OR 97702	(541) 382-9234	RDC Gregory & Teresa Hubert	12/2001
OREGON Grants Pass	1561 SW Allen Creek Rd. Grants Pass, OR 97527	(541) 916-4986	RDC Gregory & Teresa Hubert	03/2017
OREGON Medford	449 Medford Center Medford, OR 97504	(541) 772-7777	RDC Gregory & Teresa Hubert	07/1999
OREGON Roseburg	2200 NW Stewart Parkway Roseburg, OR 97470	(541) 673-2636	RDC Gregory & Teresa Hubert	03/2007
PENNSYLVANIA Allentown	4688 A Broadway Tighman Square Allentown, PA 18104	(610) 366-1776	LVRB Mike Axiotis	08/1993
PENNSYLVANIA Allentown	1875 Airport Road Allentown, PA 18109	(610) 266-1776	LVRB Mike Axiotis	11/2001
PENNSYLVANIA Stroudsburg	250 Crossroads Mall, Route 611 Bartonsville, PA 18321	(570) 421-0770	LVRB Mike Axiotis	04/2007
PENNSYLVANIA Carlisle	236 Westminster Drive Carlisle, PA 17013	(717) 258-1030	LVRB Mike Axiotis	10/2005

RESTAURANT LOCATION	ADDRESS	PHONE NUMBERS	OWNER(S)/OPERATOR(S)	DATE OPENED
PENNSYLVANIA Center Valley	2845 Center Valley Pkwy., Ste. 440 Center Valley, PA 18034	(570) 489-0060	LVRB Mike Axiotis	10/2006
PENNSYLVANIA Chambersburg	921 Norland Avenue Chambersburg, PA 17201	(717) 263-7900	LVRB Mike Axiotis	03/2007
PENNSYLVANIA Collegeville	220 Plaza Drive, Suite #1 Collegeville, PA	(610) 850-8000	LVRB Mike Axiotis	7/2013
PENNSYLVANIA Dickson City	1235 Commerce Blvd Dickson City, PA 18519	(570) 489-0060	LVRB Mike Axiotis	11/2005
PENNSYLVANIA Easton	3716 Easton-Nazareth Highway Easton, PA 18045	(610) 515-1111	LVRB Mike Axiotis	11/1995
PENNSYLVANIA Harrisburg	5125 Jonestown Road #125 Harrisburg, PA 17112	(717) 540-8600	LVRB Mike Axiotis	09/2001
PENNSYLVANIA Hamburg	125 Wilderness Trail Hamburg, PA 19526	(484) 668-4040	LVRB Mike Axiotis	10/2011
PENNSYLVANIA Hershey	621 Park Avenue Hershey, PA 17033	(717) 520-1776	LVRB Mike Axiotis	01/1998
PENNSYLVANIA Mill Creek	2350 Lincoln Highway East #900 Lancaster, PA 17603	(717) 405-3600	LVRB Mike Axiotis	04/2011
PENNSYLVANIA Mechanicsburg	6560 Carlisle Pike Ste. 450 Mechanicsburg, PA 17055	(717) 766-5400	LVRB Mike Axiotis	05/2001
PENNSYLVANIA Wilkes Barre	2020 Wilkes Barre Township Marketplace Wilkes Barre, PA 18702	(570) 208-1776	LVRB Mike Axiotis	10/2003
PENNSYLVANIA Quakertown	690 N. West End Blvd., Route 309 Quakertown, PA 18951	(215) 536-9060	LVRB Mike Axiotis	11/2007
PENNSYLVANIA Exeter	4559 Perkiomen Ave Reading, PA 19606	(484) 334-8000	LVRB Mike Axiotis	07/2009
PENNSYLVANIA Selinsgrove	111 Marketplace Blvd. Selinsgrove, PA 17870	(570) 374-7490	LVRB Mike Axiotis	09/2008
PENNSYLVANIA Neshaminy	3605 Horizon Blvd. Trevose, PA 19053	(215) 322-3130	LVRB Mike Axiotis	04/2004
PENNSYLVANIA York	1500 Mount Zion Road York, PA 17402	(717) 885-9674	LVRB. Mike Axiotis	11/2014
TEXAS South Arlington	421 E. Interstate 20 Highway Arlington, TX 78753	(817) 468-7700	Mandes Restaurant Group, LLC Bob Mandes	10/2008
TEXAS Cedar Hill	229 N. Highway 67 Cedar Hill, TX 75104	(469) 272-3636	Mandes Restaurant Group, LLC Robert Mandes	11/2003
TEXAS Flower Mound	5731 Long Prairie Road Flower Mound, TX 75028	(972) 539-5400	Mandes Restaurant Group, LLC Bob Mandes	05/2007
TEXAS Garland	5031 N. Garland Ave. Garland, TX 75044	(972) 530-4700	Mandes Restaurant Group, LLC Bob Mandes	08/2004
TEXAS Pharr	409 S. Jackson Rd Pharr, TX 78577	(956) 683-0022	Restaurant Robin, LP Fernando Villegas	03/2004
TEXAS San Antonio	1750 N. Loop 1604 East, Ste. 102 San Antonio, TX 78232	(210) 494-2500	Centex Red Bird, LLC Agustin Zurita	05/2004
TEXAS San Antonio (The Rim)	17403 IH-10 West San Antonio, TX 78257	(210) 558-0900	Centex Red Bird, L.L.C. Agustin Zurita	03/2007
TEXAS Alamo Ranch	5631 W Loop 1604 N San Antonio, TX 78253	(210) 509-8200	Centex Red Bird, L.L.C. Agustin Zurita	4/2010
TEXAS Selma (Forum)	8227 Agora, Parkway Selma, TX 78154	(210) 659-9229	Centex Red Bird, L.L.C. Agustin Zurita	4/2003
UTAH Layton Hills	1562 N. Woodland Park Drive Layton, UT 84041	(801) 779-3511	Sizzling Platter, LLC	10/1995

RESTAURANT LOCATION	ADDRESS	PHONE NUMBERS	OWNER(S)/OPERATOR(S)	DATE OPENED
UTAH Murray	316 E. Winchester Blvd. Murray, UT 84107	(801) 266-9410	Sizzling Platter, LLC	04/1993
UTAH Provo	1200 Towne Centre Blvd., # 100 Provo, UT 84601	(801) 852-8093	Sizzling Platter, LLC	02/2000
UTAH South Jordan	11615 South District Main Drive South Jordan, UT 84095	(801) 495-5706	Sizzling Platter, LLC	07/2007
UTAH West Valley	3601 S. 2700 West, B152 West Valley, UT 84119	(801) 964-2354	Sizzling Platter, LLC	10/1996

LIST OF AREA DEVELOPERS

NONE

EXHIBIT F

LIST OF FRANCHISEES AND AREA DEVELOPERS THAT LEFT THE SYSTEM

NONE

EXHIBIT G
STATE ADDENDA

STATE ADDENDA

The following are additional disclosures for the Franchise Disclosure Document, Area Development Agreement and Franchise Agreement of Red Robin International, Inc., required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

MARYLAND

FDD

Item 5 and Item 7 shall be amended by the addition of the following language:

“Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

Item 17(h) under the heading “‘Cause’ defined – defaults which cannot be cured” shall be amended by the addition of the following language at the end of each Summary Section:

“The provision for termination upon bankruptcy may not be enforceable under federal bankruptcy law.”

Item 17(v) entitled “Choice of Forum” shall be amended by the addition of the following language at the end of each Summary Section:

“You may bring suit in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

Item 17 entitled “RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION” shall be amended by the addition of the following paragraphs at the end of Item 17:

“The general release required as a condition of renewal, sale and/or assignment shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Development Agreement

Section 9, under the heading “DEVELOPMENT FEE” shall be amended by adding the following language to the end of Section 9:

“Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

Section 16.C, under the heading “TRANSFER OF INTEREST” shall be amended by adding the following language to the end of Section 16.C:

“The general release required as a condition of renewal, sale, and/or assignment shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Section 20.G. under the heading “EXCLUSIVE JURISDICTION” shall be amended by adding the following language to the end of Section 20.G:

“You may bring suit in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

Section 24 under the heading ‘CAVEAT’ shall be amended by adding the following language to the end of Section 24:

“The representations made in this Agreement requiring a franchisee to assent to a release, estoppel or waiver are not intended to, nor do they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The general release required as a condition of renewal, sale, and/or assignment shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Section 27 shall be amended by the addition of the following language:

"All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Act and the regulations promulgated thereunder are independently met without reference to this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

To the extent this Addendum shall be deemed inconsistent with any terms or conditions of the Development Agreement, the terms of this Addendum shall govern.

Any capitalized terms that are not defined in this Addendum shall have the meaning given to them in the Development Agreement.

IN WITNESS WHEREOF, the parties to this Addendum have duly executed, sealed and delivered this Addendum to the Development Agreement simultaneously with the signing of the Development Agreement.

FRANCHISOR

FRANCHISESS

Red Robin International, Inc.

By:
Title:

By:
Title:

Franchise Agreement

Section 11, under the heading “FRANCHISE FEES”, shall be amended by adding the following language to the end of Section 11:

“Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

Section 17.C. under the heading “CONDITIONS FOR APPROVAL OF ASSIGNMENT OR SALE OF ASSETS” shall be amended by adding the following language to the end of Section 17.C:

“The general release required as a condition of renewal, sale, and/or assignment shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Section 18 under the heading “RENEWAL OF FRANCHISE” shall be amended by adding the following language to the end of Section 18:

“The general release required as a condition of renewal, sale, and/or assignment shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Section 23.J. under the heading “EXCLUSIVE JURISDICTION” shall be amended by adding the following language to the end of Section 23.J.:

“You may bring suit in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

Section 27 shall be amended by the addition of the following language:

"All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and

Disclosure Act and the regulations promulgated thereunder are independently met without reference to this Addendum. This Addendum shall have no force or effect if such jurisdictional requirements are not met.

To the extent this Addendum shall be deemed inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum shall govern.

Any capitalized terms that are not defined in this Addendum shall have the meaning given to them in the Franchise Agreement.

IN WITNESS WHEREOF, the parties to this Addendum have duly executed, sealed and delivered this Addendum to the Franchise Agreement simultaneously with the signing of the Franchise Agreement.

FRANCHISOR

FRANCHISESS

Red Robin International, Inc.

By:
Title:

By:
Title:

MINNESOTA

- [Minnesota Statute 80C.21](#) and [Minnesota Rule 2860.4400\(J\)](#) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in [Minnesota Statute 80C](#) or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchiser will comply with [Minnesota Statute 80C.14 Subd. 3-5](#), which require (except in certain specified cases)
 - that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and
 - that consent to the transfer of the franchise will not be unreasonably withheld.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to [Minnesota Statute 80C.12 Subd. 1\(G\)](#). The franchiser will protect the franchisee's rights to use the trademarks service marks trade names logotypes or other commercial symbols or indemnify the franchisee from any loss costs or expenses arising out of any claim suit or demand regarding the use of the name.

- [Minnesota Rules 2860.4400\(D\)](#) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See [Minnesota Rule 2860.4400\(J\)](#) also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with [Minnesota Statute 80C.17 Subd. 5](#).
- NSF checks are governed by Minnesota Statute 604.113 which puts a cap of \$30 on service charges.
- No statement questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law including fraud in the inducement or (ii) disclaiming reliance on any statement made by any franchisor franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

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NORTH DAKOTA

The State of North Dakota has determined that requiring a franchisee to consent to termination or liquidated damages in a franchise agreement is unfair, unjust and inequitable with the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or required that a franchisee consent to termination or liquidated damages in deleted.

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable with the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or the Supplemental Agreements requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements requiring a franchisee to consent to a waiver of

exemplary and punitive damages to be unfair, unjust and inequitable with the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

The State of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims is governed by North Dakota law.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

The Item 6 line item entitled **Non-Solicitation Fee** will not be enforced to the extent prohibited by applicable law.

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

The following is added to the end of the “Summary” section of Item 17(r), entitled **Non-competition covenants after the franchise is terminated or expires:**

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

The “Summary” section of Item 17(v), entitled **Choice of forum**, is deleted and replaced with the following:

Litigation must generally be in the state where our then current principal place of business is located (currently Englewood, Colorado), except that, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

The “Summary” section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Colorado shall apply.

RHODE ISLAND

1. The following language is added to the end of the “Summary” sections of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of law**:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this

state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

VIRGINIA

1. The following language is added to the end of the “Summary” section of Item 17(e), entitled **Termination by Franchisor without cause**:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the franchise. If any grounds for default or termination stated in the Area Development Agreement or Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20_____.

Signature of Franchisor Representative

Signature of Franchisee Representative

TITLE OF FRANCHISOR REPRESENTATIVE

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California

Hawaii

Illinois

Indiana

Maryland

Michigan

Minnesota

New York

North Dakota

Rhode Island

South Dakota

Virginia

Washington

Wisconsin

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of June 10, 2025.

EXHIBIT H

RECEIPTS

RECEIPT
(OUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Red Robin offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, Red Robin must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that Red Robin give you this disclosure document at least 10 business days before the execution of any binding franchise agreement or the payment of any consideration, whichever occurs first. Iowa requires that Red Robin give you the disclosure document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Red Robin does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

Franchise seller(s) offering the franchise: Red Robin International, Inc., 10000 East Geddes Avenue, Suite 500, Englewood, Colorado 80112. Tel: (303) 846-6000. In addition, please identify the individual franchise seller who offered you a RED ROBIN® RESTAURANT franchise in the space provided below:

LeAnne Stine
Red Robin International, Inc.
10000 East Geddes Avenue,
Suite 500
Englewood, Colorado 80112
(303) 846-6000

Todd Wilson
Red Robin International, Inc.
10000 East Geddes Avenue,
Suite 500
Englewood, Colorado 80112
(303) 846-6000

Issuance Date: June 10, 2025

See Exhibit D-1 for our registered agents authorized to receive service of process.

I have received a disclosure document dated June 10, 2025, that included the following Exhibits:

- | | | | |
|-----|--|----|--|
| A. | Financial Statements | F. | List of Franchisees and Area Developers that Left the System |
| B. | Area Development Agreement | G. | State Addenda |
| C. | Franchise Agreement | H, | Receipts |
| D-1 | State Administrators | | |
| D-2 | Agents for Service of Process | | |
| E. | List of Franchise Restaurant Locations and Area Developers | | |

Date

Prospective Franchisee

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or facsimile, to Chief Legal Officer, Red Robin International, Inc., 10000 East Geddes Avenue, Suite 500, Englewood, Colorado 80112. Phone: (303) 846-6000,

Developer Name: _____

Print Name of Franchisee: _____

Print Name of Signator: _____

Title: Owner (individual) _____

Address _____

Address _____

City / State / Zip _____

Phone: _____ **Facsimile:** _____

Email: _____

RECEIPT
(YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Red Robin offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, Red Robin must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that Red Robin give you this disclosure document at least 10 business days before the execution of any binding franchise agreement or the payment of any consideration, whichever occurs first. Iowa requires that Red Robin give you the disclosure document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If Red Robin does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

Franchise seller(s) offering the franchise: Red Robin International, Inc., 10000 East Geddes Avenue, Suite 500, Englewood, Colorado 80112. Tel: (303) 846-6000. In addition, please identify the individual franchise seller who offered you a RED ROBIN® RESTAURANT franchise in the space provided below:

LeAnne Stine
Red Robin International, Inc.
10000 East Geddes Avenue, Suite
500
Englewood, Colorado 80112
(303) 846-6000

Todd Wilson
Red Robin International, Inc.
10000 East Geddes Avenue, Suite
500
Englewood, Colorado 80112
(303) 846-6000

Issuance Date: June 10, 2025

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| D-1 | State Administrators | | |
| D-2 | Agents for Service of Process | | |
| E. | List of Franchise Restaurant Locations and Area Developers | | |

Date

Prospective Franchisee

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or facsimile, to Chief Legal Officer, Red Robin International, Inc., 10000 East Geddes Avenue, Suite 500, Englewood, Colorado 80112. Phone: (303) 846-6000,

Developer Name: _____

Print Name of Franchisee: _____

Print Name of Signator: _____

Title: Owner (individual) _____

Address _____

Address _____

City / State / Zip _____

Phone: _____ **Facsimile:** _____

Email: _____

KEEP THIS COPY FOR YOUR RECORDS