

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 28, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-09453

ARK RESTAURANTS CORP.

(Exact name of registrant as specified in its charter)

New York

(State or Other Jurisdiction of
Incorporation or Organization)

13-3156768

(IRS Employer Identification No.)

85 Fifth Avenue, New York, NY 10003

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (212) 206-8800

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	ARKR	The NASDAQ Stock Market LLC

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
Yes ☐ No ☐

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

As of August 8, 2025, there were 3,606,157 shares of the registrant's common stock outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

On one or more occasions, we may make statements in this Quarterly Report on Form 10-Q regarding our assumptions, projections, expectations, targets, intentions or beliefs about future events. All statements, other than statements of historical facts, included or incorporated by reference herein relating to management's current expectations of future financial performance, continued growth and changes in economic conditions or capital markets are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Words or phrases such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "targets," "will likely result," "hopes," "will continue" or similar expressions identify forward-looking statements. Forward-looking statements involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed. We caution that while we make such statements in good faith and we believe such statements are based on reasonable assumptions, including without limitation, management's examination of historical operating trends, data contained in records and other data available from third parties, we cannot assure you that our projections will be achieved. Factors that may cause such differences include: economic conditions generally and in each of the markets in which we are located, the amount of sales contributed by new and existing restaurants, labor costs for our personnel, fluctuations in the cost of food products, adverse weather conditions, changes in consumer preferences and the level of competition from existing or new competitors.

While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of unknown factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this report in the context of the factors that could cause outcomes to differ materially from our expectations. These factors include, but are not limited to:

- the adverse impact of the current political climate and current and future economic conditions, including inflation, on our: (i) operating results, cash flows and financial condition, (ii) ability to comply with the terms and covenants of our debt agreements, (iii) ability to pay or refinance our existing debt or to obtain additional financing, and (iv) projected cash flows used in assessing assets for impairment;
- increases in food, beverage and supply costs, especially for seafood, shellfish, chicken and beef;
- increases in wages and benefit costs, including the cost of group medical and workers' compensation insurance;
- our ability to open new restaurants in new and existing markets, including difficulty in finding sites and in negotiating acceptable leases;
- vulnerability to changes in consumer preferences and economic conditions;
- vulnerability to conditions in the cities in which we operate;
- vulnerability to adverse weather conditions and natural disasters given the geographic concentration and real estate intensive nature of our business and obtaining related property and liability insurance at acceptable premiums;
- our ability to extend existing leases on favorable terms, if at all;
- our ability to renew expired leases on favorable terms, if at all, including our *Bryant Park Grill & Cafe* which expired on April 30, 2025 and for *The Porch at Bryant Park* which expired on March 31, 2025 (see Note 8 - Commitments and Contingencies to the Consolidated Condensed Financial Statements);
- negative publicity, whether or not valid, and our ability to respond to and effectively manage the accelerated impact of social media;
- concerns about food safety and quality and about food-borne illnesses;
- the reliance of the Company on the continued service of its executive officers;
- the impact of any security breaches of confidential customer information in connection with our electronic process of credit and debit card transactions; and
- the impact of any failure of our information technology system or any breach of our network security.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the ways that we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

From time to time, oral or written forward-looking statements are also included in our reports on Forms 10-K, 10-Q, and 8-K, our Schedule 14A, our press releases and other materials released to the public. Although we believe that at the time made, the expectations reflected in all of these forward-looking statements are and will be reasonable, any or all of the forward-looking statements may prove to be incorrect. This may occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Many factors discussed in this Quarterly Report on Form 10-Q, certain of which are beyond our control, will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this Quarterly Report on Form 10-Q or other public communications that we might make as a representation by us that our plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made on related subjects in our subsequent periodic reports filed with the Securities and Exchange Commission on Forms 10-Q, 10-K, 8-K and Schedule 14A.

Unless the context requires otherwise, references to “we,” “us,” “our,” “ARKR” and the “Company” refer specifically to Ark Restaurants Corp., and its subsidiaries, partnerships, variable interest entities and predecessor entities.

Part I. Financial Information**Item 1. Consolidated Condensed Financial Statements**
ARK RESTAURANTS CORP. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(In Thousands, Except Per Share Amounts)

	June 28, 2025 (unaudited)	September 28, 2024 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 12,325	\$ 10,273
Accounts receivable	3,061	3,516
Employee receivables	149	255
Inventories	2,099	2,289
Prepaid and refundable income taxes	244	294
Prepaid expenses and other current assets	2,064	1,598
Total current assets	19,942	18,225
FIXED ASSETS - Net	28,390	31,569
OPERATING LEASE RIGHT-OF-USE ASSETS - Net	74,863	84,977
GOODWILL	—	3,440
TRADEMARKS	4,220	4,220
INTANGIBLE ASSETS - Net	35	98
DEFERRED INCOME TAXES	—	4,799
INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACK	6,732	6,550
OTHER ASSETS	2,158	2,163
TOTAL ASSETS	\$ 136,340	\$ 156,041
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 4,393	\$ 4,547
Accrued expenses and other current liabilities	10,235	12,045
Current portion of operating lease liabilities	6,339	7,099
Current portion of notes payable	1,742	5,193
Total current liabilities	22,709	28,884
OPERATING LEASE LIABILITIES, LESS CURRENT PORTION	77,427	83,516
NOTES PAYABLE, LESS CURRENT PORTION, net of deferred financing costs	2,015	—
TOTAL LIABILITIES	102,151	112,400
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Common stock, par value \$0.01 per share - authorized, 10,000 shares; issued and outstanding, 3,606 shares and 3,604 shares at June 28, 2025 and September 28, 2024, respectively	36	36
Additional paid-in capital	14,015	13,934
Retained earnings	20,619	30,167
Total Ark Restaurants Corp. shareholders' equity	34,670	44,137
NON-CONTROLLING INTERESTS	(481)	(496)
TOTAL EQUITY	34,189	43,641
TOTAL LIABILITIES AND EQUITY	\$ 136,340	\$ 156,041

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (Unaudited)
(In Thousands, Except Per Share Amounts)

	13 Weeks Ended		39 Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
REVENUES:				
Food and beverage sales	\$ 42,937	\$ 49,176	\$ 126,503	\$ 136,994
Other revenue	778	1,220	1,925	3,145
Total revenues	43,715	50,396	128,428	140,139
COSTS AND EXPENSES:				
Food and beverage cost of sales	12,060	13,304	35,650	37,512
Payroll expenses	15,280	17,479	46,103	49,969
Occupancy expenses	5,444	6,261	17,128	18,368
Other operating costs and expenses	6,038	6,305	17,422	18,233
General and administrative expenses	2,822	2,690	9,292	9,151
Depreciation and amortization	964	1,033	2,443	3,181
Gain on closure of El Rio Grande	(178)	—	(173)	—
Gain on termination of Tampa Food Court lease	—	—	(5,235)	—
Impairment losses on right-of-use and long-lived assets	4,700	2,500	4,700	2,500
Goodwill impairment	—	—	3,440	—
Total costs and expenses	47,130	49,572	130,770	138,914
OPERATING INCOME (LOSS)	(3,415)	824	(2,342)	1,225
OTHER (INCOME) EXPENSE:				
Interest expense	101	149	327	481
Interest income	(11)	(11)	(33)	(33)
Other income	—	—	—	(26)
Gain on sale of condominiums	(391)	—	(391)	—
Gain on forgiveness of PPP Loans	—	—	—	(285)
Total other (income) expense, net	(301)	138	(97)	137
INCOME (LOSS) BEFORE PROVISION (BENEFIT) FOR INCOME TAXES	(3,114)	686	(2,245)	1,088
Provision (benefit) for income taxes	81	(213)	5,019	(202)
CONSOLIDATED NET INCOME (LOSS)	(3,195)	899	(7,264)	1,290
Net income attributable to non-controlling interests	(259)	(259)	(2,284)	(729)
NET INCOME (LOSS) ATTRIBUTABLE TO ARK RESTAURANTS CORP.	\$ (3,454)	\$ 640	\$ (9,548)	\$ 561
NET INCOME (LOSS) ATTRIBUTABLE TO ARK RESTAURANTS CORP. PER COMMON SHARE:				
Basic	\$ (0.96)	\$ 0.18	\$ (2.65)	\$ 0.16
Diluted	\$ (0.96)	\$ 0.18	\$ (2.65)	\$ 0.15
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:				
Basic	3,605	3,604	3,605	3,604
Diluted	3,605	3,627	3,605	3,628

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY (unaudited)
(In Thousands, Except Per Share Amounts)

For the 13 weeks ended June 28, 2025

	Common Stock			Additional Paid-In Capital	Retained Earnings		Total Ark Restaurants Corp. Shareholders' Equity		Non- controlling Interests	Total Equity
	Shares	Amount								
BALANCE - March 29, 2025	3,606	\$ 36	\$	14,036	\$ 24,073	\$	38,145	\$	(594)	\$ 37,551
Net income (loss)	—	—		—	(3,454)		(3,454)		259	(3,195)
Stock-based compensation activity	—	—		(21)	—		(21)		—	(21)
Distributions to non-controlling interests	—	—		—	—		—		(146)	(146)
BALANCE - June 28, 2025	3,606	\$ 36	\$	14,015	\$ 20,619	\$	34,670	\$	(481)	\$ 34,189

For the 39 weeks ended June 28, 2025

	Common Stock			Additional Paid-In Capital	Retained Earnings		Total Ark Restaurants Corp. Shareholders' Equity		Non- controlling Interests	Total Equity
	Shares	Amount								
BALANCE - September 28, 2024	3,604	\$ 36	\$	13,934	\$ 30,167	\$	44,137	\$	(496)	\$ 43,641
Net income (loss)	—	—		—	(9,548)		(9,548)		2,284	(7,264)
Exercise of stock options	2	—		21	—		21		—	21
Stock-based compensation activity	—	—		60	—		60		—	60
Distributions to non-controlling interests	—	—		—	—		—		(2,269)	(2,269)
BALANCE - June 28, 2025	3,606	\$ 36	\$	14,015	\$ 20,619	\$	34,670	\$	(481)	\$ 34,189

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY (unaudited)
(In Thousands, Except Per Share Amounts)

For the 13 weeks ended June 29, 2024

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Ark Restaurants Corp. Shareholders' Equity	Non- controlling Interests	Total Equity
	Shares	Amount					
BALANCE - March 30, 2024	3,604	\$ 36	\$ 14,998	\$ 34,660	\$ 49,694	\$ 372	\$ 50,066
Net income	—	—	—	640	640	259	899
Stock-based compensation activity	—	—	(723)	—	(723)	—	(723)
Distributions to non-controlling interests	—	—	—	—	—	(318)	(318)
Dividends paid - \$0.1875 per share	—	—	—	(676)	(676)	—	(676)
BALANCE - June 29, 2024	3,604	\$ 36	\$ 14,275	\$ 34,624	\$ 48,935	\$ 313	\$ 49,248

For the 39 weeks ended June 29, 2024

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Ark Restaurants Corp. Shareholders' Equity		Non- controlling Interests	Total Equity
	Shares	Amount						
BALANCE - September 30, 2023	3,604	\$ 36	\$ 14,161	\$ 36,091	\$ 50,288	\$ 1,434	\$ 51,722	
Net income	—	—	—	561	561	729	1,290	
Elimination of non-controlling interest upon dissolution of subsidiary	—	—	692	—	692	(692)	—	
Stock-based compensation activity	—	—	(578)	—	(578)	—	(578)	
Distributions to non-controlling interests	—	—	—	—	—	(1,158)	(1,158)	
Dividends paid - \$0.3750 per share	—	—	—	(2,028)	(2,028)	—	(2,028)	
BALANCE - June 29, 2024	3,604	\$ 36	\$ 14,275	\$ 34,624	\$ 48,935	\$ 313	\$ 49,248	

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Unaudited)
(In Thousands)

	39 Weeks Ended	
	June 28, 2025	June 29, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income (loss)	\$ (7,264)	\$ 1,290
Adjustments to reconcile consolidated net income (loss) to net cash provided by operating activities:		
Stock-based compensation activity	60	(578)
Deferred income taxes	4,799	(438)
Accrued interest on note receivable from NMR	(34)	(32)
Depreciation and amortization	2,443	3,181
Amortization of operating lease assets	308	320
Amortization of deferred financing costs	45	40
Gain on closure of El Rio Grande	(173)	—
Gain on termination of Tampa Food Court lease	(5,235)	—
Impairment losses on right-of-use and long-lived assets	4,700	2,500
Goodwill impairment	3,440	—
Gain on sale of condominiums	(391)	—
Changes in operating assets and liabilities:		
Accounts receivable	455	(2,062)
Inventories	169	625
Prepaid, refundable and accrued income taxes	50	64
Prepaid expenses and other current assets	(466)	(403)
Other assets	5	—
Accounts payable - trade	(154)	1,156
Accrued expenses and other current liabilities	(1,638)	(1,737)
Net cash provided by operating activities	<u>1,119</u>	<u>3,926</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(1,625)	(1,255)
Loans and advances made to employees	(8)	(40)
Payments received on employee receivables	114	91
Proceeds from sale of condominiums	829	—
Payment received in connection with termination of Tampa Food Court lease	5,500	—
Investment in NMR	(148)	—
Net cash provided by (used in) investing activities	<u>4,662</u>	<u>(1,204)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(1,376)	(1,484)
Payment of debt financing costs	(105)	—
Dividends paid	—	(2,028)
Proceeds from issuance of stock upon exercise of stock options	21	—
Distributions to non-controlling interests	(2,269)	(1,158)
Net cash used in financing activities	<u>(3,729)</u>	<u>(4,670)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,052</u>	<u>(1,948)</u>
CASH AND CASH EQUIVALENTS, Beginning of period	10,273	13,415
CASH AND CASH EQUIVALENTS, End of period	<u>\$ 12,325</u>	<u>\$ 11,467</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	<u>\$ 286</u>	<u>\$ 439</u>
Income taxes	<u>\$ 169</u>	<u>\$ 170</u>
Non-cash financing activities:		
Elimination of non-controlling interest upon dissolution of subsidiary	<u>\$ —</u>	<u>\$ 692</u>

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

June 28, 2025

(Unaudited)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated condensed balance sheet as of September 28, 2024, which has been derived from the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended September 28, 2024 ("Form 10-K"), and the unaudited interim consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. All adjustments of a normal, recurring nature that, in the opinion of management are necessary for a fair presentation for the periods presented, have been reflected as required by Article 10 of Regulation S-X. These consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Form 10-K.

INFLATION — In recent years, our operating results were impacted by geopolitical and other macroeconomic events, causing supply chain challenges and significantly increased commodity and wage inflation. While we have seen improvements in many of these areas, some of these factors continued to impact our operating results in fiscal 2025. The ongoing impact of these events could lead to further shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in our supply chain and delays in opening and acquiring new restaurants. If these factors significantly impact our cash flow in the future, we may again implement mitigation actions such as suspension of dividends, increasing borrowings or modifying our operating strategies. Some of these measures may have an adverse impact on our business, including possible impairments of assets.

PRINCIPLES OF CONSOLIDATION — The consolidated condensed financial statements include the accounts of Ark Restaurants Corp. and all of its wholly-owned subsidiaries, partnerships and other entities in which it has a controlling interest, collectively herein referred to as the "Company".

USE OF ESTIMATES — 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. Significant estimates are used for, but are not limited to: (i) projected cash flows related to asset impairments, including goodwill and intangibles, (ii) income tax valuation allowances for deferred tax assets, (iii) allowances for potential credit losses on receivables, (iv) assumptions regarding discount rates related to lease accounting, (v) the useful lives and recoverability of our long-lived assets, such as fixed assets and intangibles, (vi) fair values of financial instruments, (vii) share-based compensation, (viii) estimates made in connection with acquisition purchase price allocations, (ix) uncertain tax positions, and (x) determining when investment impairments are other-than-temporary. The Company's accounting estimates require the use of judgment as future events and the effect of these events cannot be predicted with certainty. The accounting estimates may change as new events occur, as more experience is acquired and as more information is obtained. The Company evaluates and updates assumptions and estimates on an ongoing basis and may use outside experts to assist in the Company's evaluation, as considered necessary. Because of the uncertainty in such estimates, actual results may differ from these estimates. The results of operations for the 13 and 39 weeks ended June 28, 2025 are not necessarily indicative of the results to be expected for any other interim period or for the year ending September 27, 2025.

NON-CONTROLLING INTERESTS — Non-controlling interests represent capital contributions from, distributions to and income and loss attributable to the shareholders of less than wholly-owned and consolidated entities.

SEASONALITY — The Company has substantial fixed costs that do not decline proportionally with sales. Although our business is highly seasonal, our broader geographical reach as a result of prior acquisitions mitigates some of this risk. For instance, the second quarter of our fiscal year, consisting of the non-holiday portion of the cold weather season in New York and Washington D.C. (January, February and March), is the poorest performing quarter; however, in recent years this has been partially offset by our locations in Florida as they experience increased results in the winter months. We generally achieve our best results during the warmer weather, attributable to our extensive outdoor dining availability, particularly at Bryant Park in New York and Sequoia in Washington, D.C. (our largest restaurants) and our outdoor cafes. However, even during summer months these facilities can be adversely affected by unusually cool or rainy weather conditions. Our facilities in Las Vegas are indoors and generally operate on a more consistent basis throughout the year, although in recent years the summer months have seen lower traffic.

FAIR VALUE OF FINANCIAL INSTRUMENTS — The carrying amount of cash and cash equivalents, receivables and accounts payable approximate fair value due to the immediate or short-term maturity of these financial instruments. The fair values of notes receivable and payable are determined using current applicable rates for similar instruments as of the consolidated condensed balance sheet date and approximate the carrying value of such debt instruments.

CASH AND CASH EQUIVALENTS — Cash and cash equivalents include cash on hand, deposits with banks and highly-liquid investments generally with original maturities of three months or less. Outstanding checks in excess of account balances, typically vendor payments, payroll and other contractual obligations disbursed after the last day of a reporting period are reported as a current liability in the accompanying consolidated condensed balance sheets.

CONCENTRATIONS OF CREDIT RISK — Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company reduces credit risk by placing its cash and cash equivalents with major financial institutions with high credit ratings. At times, such amounts may exceed federally insured limits. Accounts receivable is primarily comprised of normal business receivables such as credit card receivables that are paid in a short period of time and other receivables from hotel operators where the Company has a location and are recorded upon satisfaction of the performance obligation. The Company reviews the collectability of its receivables on an ongoing basis, and has not provided for an allowance as it considers all of the counterparties will be able to meet their obligations. The concentration of credit risk with respect to accounts receivable is generally limited due to the short payment terms extended by the Company and the number of customers comprising the Company's customer base.

As of June 28, 2025 and September 28, 2024, the Company had accounts receivable balances due from one hotel operator totaling 49% and 52% of total accounts receivable, respectively.

For the 13-week periods ended June 28, 2025 and June 29, 2024, the Company made purchases from two vendors that accounted for 20% and 22% of total purchases, respectively.

For the 39-week period ended June 28, 2025, the Company made purchases from one vendor that accounted for 11% of total purchases. For the 39-week period ended June 29, 2024, the Company made purchases from two vendors that accounted for 22% of total purchases.

As of June 28, 2025, all debt outstanding is with one lender (see Note 7 – Notes Payable).

GOODWILL AND TRADEMARKS — Goodwill and trademarks are not amortized, but are subject to impairment analysis. We assess the potential impairment of goodwill and trademarks annually (at the end of our fourth quarter) and on an interim basis whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If we determine through the impairment review process that goodwill or trademarks are impaired, we record an impairment charge in our consolidated condensed statements of operations.

During the three months ended March 29, 2025, the Company identified a triggering event in accordance with the Financial Accounting Standards Board ("FASB"), Accounting Standards Update ("ASU") 350-20, *Intangibles—Goodwill and Other*, primarily related to a decline in the Company's stock price in the second quarter of fiscal 2025 and the continued uncertainty related to the expiration of the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* leases (see Note 8 - Commitments and Contingencies). As a result, the Company performed an interim quantitative impairment test and based on the results of the assessment, the fair value of our equity was determined to be less than its carrying amount. Accordingly, the Company recognized a non-cash impairment charge of the remaining balance of its goodwill in the amount of \$3,440,000 in our consolidated condensed statements of operations for the 39 weeks ended June 28, 2025. The Company did not record any impairment to its goodwill during the 13 and 39 weeks ended June 29, 2024.

Our impairment analysis for trademarks consists of a comparison of the fair value to the carrying value of the assets. This comparison is made based on a review of historical, current and forecasted sales and profit levels, as well as a review of any factors that may indicate potential impairment. During the 13 and 39 weeks ended June 28, 2025 and June 29, 2024, the Company did not record any impairment charges related to its trademarks.

LONG-LIVED AND RIGHT-OF-USE ASSETS — Long-lived assets, such as property, plant and equipment, purchased intangibles subject to amortization, and right-of-use assets ("ROU assets") are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the evaluation of the fair value and future benefits of long-lived assets, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets. If the carrying value of the related asset exceeds the undiscounted cash flows, the carrying value is reduced to its fair value. Various factors including estimated future sales growth and estimated profit margins are included in this analysis.

During the 13 weeks ended June 29, 2024, impairment indicators were identified at our *Sequoia* property located in Washington, D.C. due to lower than expected operating results. Accordingly, the Company tested the recoverability of *Sequoia's* ROU and long-lived assets and concluded they were not recoverable. Based on a discounted cash flow analysis, the Company recognized impairment charges of \$1,561,000 and \$939,000 related to *Sequoia's* ROU and long-lived assets, respectively. The Company continued to monitor the performance of *Sequoia* throughout fiscal 2025 and, as a result of lower than expected operating results we tested the recoverability of its ROU and long-lived assets as of June 28, 2025. Based on a discounted cash flow analysis, we recognized additional impairment charges of \$2,940,000 and \$1,760,000 during the 13 weeks ended June 28, 2025 related to *Sequoia's* ROU and long-lived assets, respectively.

Given the inherent uncertainty in projecting results of operations, the Company will continue to monitor the recoverability of the carrying value of the assets of *Sequoia* and several other restaurants on an ongoing basis. If expected performance is not realized, further impairment charges may be recognized in future periods, and such charges could be material.

REVENUE RECOGNITION — We recognize revenue upon the satisfaction of our performance obligation by transferring control over a product or service to a restaurant guest or other customer. Revenues from restaurant operations are presented net of discounts, coupons, employee meals and complimentary meals and recognized when food, beverage and retail products are sold. Sales tax collected from customers is excluded from sales and the obligation is included in sales tax payable until the taxes are remitted to the appropriate taxing authorities. Catering service revenue is generated through contracts with customers whereby the customer agrees to pay a contract rate for the service. Revenues from catered events are recognized in income upon satisfaction of the performance obligation (the date the event is held) and all customer payments, including nonrefundable upfront deposits, are deferred as a contract liability until such time. We recognized \$3,076,000 and \$4,986,000 in catering services revenue for the 13-week periods ended June 28, 2025 and June 29, 2024, respectively, and \$10,794,000 and \$13,603,000 for the 39-week periods ended June 28, 2025 and June 29, 2024, respectively. Unearned revenue, which is included in accrued expenses and other current liabilities on the consolidated condensed balance sheets, as of June 28, 2025 and September 28, 2024 was \$2,736,000 and \$4,382,000, respectively.

Revenues from gift cards are deferred and recognized upon redemption. Deferrals are not reduced for potential non-use as we generally have a legal obligation to remit the value of unredeemed gift cards to the relevant jurisdictions in which they are sold. As of June 28, 2025 and September 28, 2024, the total liability for gift cards in the amounts of approximately \$441,000 and \$401,000, respectively, are included in accrued expenses and other current liabilities in the consolidated condensed balance sheets.

Other revenues include merchandise sales, rental income, property management fees and other rentals as well as, in 2024, purchase service fees which represent commissions earned for providing services to other restaurant groups.

LEASES — We determine if an arrangement contains a lease at inception. An arrangement contains a lease if it implicitly or explicitly identifies an asset to be used and conveys the right to control the use of the identified asset in exchange for consideration. As a lessee, we include operating leases in Operating lease ROU assets and Operating lease liabilities in our consolidated condensed balance sheets. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized upon commencement of the lease based on the present value of the lease payments over the lease term. As most of our leases do not provide an implicit interest rate, we use our incremental borrowing rate based on the information available at commencement date to determine the present value of lease payments. Our lease terms may include options to extend or terminate the lease. Options are included when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Amendments or modifications to lease terms are accounted for as variable lease payments. Leases with a lease term of 12 months or less are accounted for using the practical expedient which allows for straight-line rent expense over the remaining term of the lease.

SEGMENT REPORTING — As of June 28, 2025, the Company owned and operated 16 restaurants and bars, 12 fast food concepts and catering operations, exclusively in the United States, that have similar economic characteristics, nature of products and services, class of customers and distribution methods. The Company believes it meets the criteria for aggregating its operating components into a single operating segment in accordance with applicable accounting guidance.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS — In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (“ASU 2024-03”), to expand expense disclosures by requiring disaggregated disclosure of certain income statement expense line items, including those that contain purchases of inventory, employee compensation, depreciation and amortization. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, or our fiscal year 2028, and subsequent interim periods, with early adoption permitted. The

amendments should be applied prospectively, but retrospective application is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”), which enhances transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid and to improve the effectiveness of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, which is for fiscal year 2026 and interim periods beginning in the first quarter of fiscal 2027, with early adoption permitted. The amendments may be applied prospectively or retrospectively with early adoption permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments in this update are intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for public entities for fiscal years beginning after December 15, 2023, which is for fiscal year 2025 and interim periods beginning in the first quarter of fiscal 2026, with early adoption permitted. The adoption of this guidance is not expected to have a material impact to our consolidated financial statements and disclosures.

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendment in Response to the SEC’s Disclosure Update and Simplification Initiative*. The ASU incorporates several disclosure and presentation requirements currently residing in the SEC Regulations S-X and S-K. The amendments will be applied prospectively and are effective when the SEC removes the related requirements from Regulations S-X or S-K. Any amendments the SEC does not remove by June 30, 2027 will not be effective. As we are currently subject to these SEC requirements, this ASU is not expected to have a material impact on our consolidated financial statements or related disclosures.

No other new accounting pronouncements issued or effective as of June 28, 2025 have had or are expected to have a material impact on our consolidated financial statements.

2. RECENT RESTAURANT EXPANSION AND OTHER DEVELOPMENTS

On June 24, 2022, the Company extended its lease for *America* at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of \$4,000,000 to materially refresh the premises by December 31, 2025, subject to further extensions as set out in the agreement. To date, approximately \$400,000 has been spent on this refresh. We expect to complete the work by February 28, 2026.

On July 21, 2022, the Company extended its lease for the *Village Eateries* at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2034. As part of this extension, the *Broadway Burger Bar and Grill* and *Gonzalez y Gonzalez*, were carved out of the *Village Eateries* footprint and the extended date for those two locations is December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of \$3,500,000 to materially refresh all three of these premises by December 31, 2025, as extended. As part of this refresh, on November 11, 2024, the Company opened a new concept called *Lucky Pig* in the *Village Eateries* at a cost of approximately \$700,000. To date, the Company has spent an additional \$750,000 on refreshing *Broadway Burger Bar and Grill*, *Gonzalez y Gonzalez* and other areas of the *Village Eateries*. We expect to complete all work related to these projects by December 31, 2025.

Each of the above refresh obligations are to be consistent with designs approved by the landlord which shall not be unreasonably withheld. We will continue to pay all rent as required by the leases without abatement during construction. Note that our substantial completion of work set forth in plans approved by the landlord shall constitute our compliance with the requirements of the completion deadlines, regardless of whether or not the amount actually expended in connection therewith is less than the minimum. In connection with the above renovations, the Company made payments totaling \$14,000 and \$48,000 to the mother of Samuel Weinstein, the Co-Chief Operating Officer, for design services during the 13 and 39 weeks ended June 28, 2025, respectively.

3. RECENT RESTAURANT DISPOSITIONS AND OTHER DEVELOPMENTS

In October 2024, the Company advised the landlord of *El Rio Grande* we would be terminating the lease and closing the property permanently. In connection with this notification, the Company recorded a loss of \$876,000 during the year ended September 28, 2024. The property closed permanently on January 3, 2025 and was vacated and delivered to the landlord on April 30, 2025. During the 13 weeks ended June 28, 2025, the Company recognized a gain of \$178,000 as a result of refinements of estimates. During the 39 weeks ended June 28, 2025, the Company recognized a gain in the amount of \$173,000 as a result of additional operating losses offset by the above refinements of estimates.

On November 26, 2024, the Company agreed to terminate its lease for the food court at The Hard Rock Hotel and Casino in Tampa, FL and, accordingly, vacated the premises on December 15, 2024. In connection with this, Ark Hollywood/Tampa Investment LLC, a subsidiary of the Company, (in which we own a 65% interest) received a termination payment in the amount of \$5,500,000, all obligations under the lease ceased and we recorded a gain, net of expenses, in the amount of \$5,235,000 during the 13 weeks ended December 28, 2024. During the 13 weeks ended March 29, 2025, Ark Hollywood/Tampa Investment LLC distributed approximately \$1,710,000 of the net proceeds, after expenses, to the other equity holders of Ark Hollywood/Tampa Investment LLC.

During the 13 weeks ended June 28, 2025, the Company sold two of the 14 condominium units it owns at the *Island Beach Resort* in Jensen Beach, FL' which is adjacent to our *Shuckers* restaurant. In connection with the sales, the Company received net proceeds of \$829,000 and recorded a gain of \$391,000. The Company intends to sell all of these units subject to market forces.

4. INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACK

On March 12, 2013, the Company made a \$4,200,000 investment in the New Meadowlands Racetrack LLC ("NMR") through its purchase of a membership interest in Meadowlands Newmark, LLC, an existing member of NMR with a then 63.7% ownership interest. On November 19, 2013, the Company invested an additional \$464,000 in NMR through the purchase of an additional membership interest in Meadowlands Newmark, LLC resulting in a total ownership of 11.6% of Meadowlands Newmark, LLC, and an effective ownership interest in NMR of 7.4%, subject to dilution. In 2015, the Company invested an additional \$222,000 in NMR, in February 2017, an additional \$222,000 in NMR, and on May 13, 2025 an additional \$148,000 in NMR, all as a result of capital calls with no change in ownership, bringing its total investment to \$5,256,000. The Company accounts for this investment at cost, less impairment, adjusted for subsequent observable price changes in accordance with ASU No. 2016-01. There are no observable prices for this investment.

During the 13 and 39 weeks ended June 28, 2025, the Company did not receive any distributions from NMR. During the 13 and 39 weeks ended June 29, 2024, the Company received distributions of \$0 and \$26,000, respectively, from NMR which have been recorded as other income in the consolidated condensed statements of operations.

The Company evaluated its investment in NMR for impairment and concluded that its fair value exceeds the carrying value. Accordingly, the Company did not record any impairments during the 13 and 39 weeks ended June 28, 2025 and June 29, 2024. Any future changes in the carrying value of our investment in NMR will be reflected in earnings.

In addition to the Company's ownership interest in NMR through Meadowlands Newmark, LLC, if casino gaming is approved at the Meadowlands and NMR is granted the right to conduct said gaming, neither of which can be assured, the Company shall be granted the exclusive right to operate the food and beverage concessions in the gaming facility with the exception of one restaurant.

In conjunction with this investment, the Company, through a 97% owned subsidiary, Ark Meadowlands LLC ("AM VIE"), also entered into a long-term agreement with NMR for the exclusive right to operate food and beverage concessions serving the new raceway facilities (the "Racing F&B Concessions") located in the new raceway grandstand constructed at the Meadowlands Racetrack in northern New Jersey. Under the agreement, NMR is responsible to pay for the costs and expenses incurred in the operation of the Racing F&B Concessions, and all revenues and profits thereof inure to the benefit of NMR. AM VIE receives an annual fee equal to 5% of the net profits received by NMR from the Racing F&B Concessions during each calendar year. AM VIE is a variable interest entity; however, based on qualitative consideration of the contracts with AM VIE, the operating structure of AM VIE, the Company's role with AM VIE, and that the Company is not obligated to absorb expected losses of AM VIE, the Company has concluded that it is not the primary beneficiary and not required to consolidate the operations of AM VIE.

The Company's maximum exposure to loss as a result of its involvement with AM VIE is limited to any receivable from AM VIE's primary beneficiary. As of June 28, 2025 and September 28, 2024, \$64,000 and \$16,000 were due to AM VIE by NMR, respectively.

On April 25, 2014, the Company loaned \$1,500,000 to Meadowlands Newmark, LLC. The note bears interest at 3%, compounded monthly and added to the principal, and is due in its entirety on June 30, 2029. The note may be prepaid, in whole or in part, at any time without penalty or premium. The principal and accrued interest related to this note in the amounts of \$1,476,000 and \$1,442,000 are included in Investment in and Receivable from New Meadowlands Racetrack in the consolidated condensed balance sheets at June 28, 2025 and September 28, 2024, respectively.

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

	June 28, 2025	September 28, 2024
	(In thousands)	
Sales tax payable	\$ 820	\$ 761
Accrued wages and payroll related costs	3,605	4,548
Customer advance deposits	2,736	4,382
Accrued occupancy and other operating expenses	3,074	2,354
	<u>\$ 10,235</u>	<u>\$ 12,045</u>

6. LEASES

Other than locations where we own the underlying property, we lease our restaurant locations as well as our corporate office under various non-cancelable real estate lease agreements that expire on various dates through 2046. We evaluate whether we control the use of the asset, which is determined by assessing whether we obtain substantially all economic benefits from the use of the asset, and whether we have the right to direct the use of the asset. If these criteria are met and we have identified a lease, we account for the contract under the requirements of Accounting Standards Codification (“ASC”) Topic 842.

Upon taking possession of a leased asset, we determine its classification as an operating or finance lease. All of our real estate leases are classified as operating leases. We do not have any finance leases as of June 28, 2025. Generally, our real estate leases have initial terms ranging from 10 to 25 years and typically include renewal options. Renewal options are recognized as part of the ROU assets and lease liabilities if it is reasonably certain at the date of adoption that we would exercise the options to extend the lease. Our real estate leases typically provide for fixed minimum rent payments and/or contingent rent payments based upon sales in excess of specified thresholds. When the achievement of such sales thresholds are deemed to be probable, variable lease expense is accrued in proportion to the sales recognized during the period. For operating leases that include rent holidays and rent escalation clauses, we recognize lease expense on a straight-line basis over the lease term from the date we take possession of the leased property. We record the straight-line lease expense and any contingent rent, if applicable, in occupancy expenses in the consolidated condensed statements of operations.

Many of our real estate leases also require us to pay real estate taxes, common area maintenance costs and other occupancy costs (“non-lease components”) which are included in occupancy related expenses in the consolidated condensed statements of operations. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As there were no explicit rates provided in our leases, we used our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

The components of lease expense in the consolidated condensed statements of operations are as follows:

	13 Weeks Ended		39 Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	(In thousands)		(In thousands)	
Operating lease expense - occupancy expenses (1)	\$ 3,289	\$ 3,471	\$ 9,964	\$ 10,394
Occupancy lease expense - general and administrative expenses	121	119	363	363
Variable lease expense - occupancy expenses	775	994	2,730	3,118
Total lease expense	<u>\$ 4,185</u>	<u>\$ 4,584</u>	<u>\$ 13,057</u>	<u>\$ 13,875</u>

(1) Includes short-term leases, which are immaterial.

Supplemental cash flow information related to leases:

	39 Weeks Ended	
	June 28, 2025	June 29, 2024
	(In thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	\$ 12,543	\$ 13,939

The weighted average remaining lease terms and discount rates are as follows:

	June 28, 2025	September 28, 2024
Operating leases:		
Weighted average remaining lease term	11.1 years	11.5 years
Weighted average discount rate	6.3 %	6.3 %

The annual maturities of our lease liabilities as of June 28, 2025 are as follows:

Fiscal Year Ending	Operating Leases (In thousands)
September 27, 2025	\$ 2,828
October 3, 2026	11,329
October 2, 2027	11,123
September 30, 2028	11,197
September 29, 2029	11,095
Thereafter	67,864
Total future lease commitments	115,436
Less: imputed interest	(31,670)
Present value of lease liabilities	83,766
Less: Current maturities	(6,339)
Long-term portion	\$ 77,427

7. NOTES PAYABLE

Notes payable consist of the following:

	June 28, 2025	September 28, 2024
	(In thousands)	
Promissory Note - Rustic Inn purchase	\$ 2,403	\$ 2,617
Promissory Note - JB's on the Beach purchase	1,000	1,750
Promissory Note - Sequoia renovation	456	800
Promissory Note - Blue Moon Fish Company	—	68
	3,859	5,235
Less: Current maturities	(1,742)	(5,193)
Less: Unamortized deferred financing costs	(102)	(42)
Long-term portion	\$ 2,015	\$ —

Credit Facility

On March 30, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the “Credit Agreement”), with its lender, Bank Hapoalim B.M. (“BHBM”) which originally matured on June 1, 2025. On May 29, 2025, the Company entered into an Omnibus Amendment to the Credit Agreement which: (i) extended the maturity date of the Credit Agreement to June 1, 2028, (ii) amended the terms of the outstanding promissory notes as discussed below, (iii) reduced the maximum permitted obligations outstanding under the Credit Agreement from \$30,000,000 to \$20,000,000 (including the outstanding promissory notes), (iv) increased the minimum tangible net worth covenant from \$22,000,000 to \$28,000,000, and (v) removed the annual net income covenant. Advances and loans under the Credit Agreement bear interest, at the Company's election at the time of the advance, at either BHBM's prime rate of interest plus a 0.45% spread or SOFR plus a 3.65% spread. In addition, there is a 0.30% per annum fee for any unused portion of the facility. As of June 28, 2025, no advances were outstanding under the Credit Agreement. As of June 28, 2025, the weighted average interest on the outstanding BHBM indebtedness was approximately 8.0%.

The Credit Agreement also requires, among other things, that the Company meet minimum quarterly tangible net worth amounts and maintain a minimum fixed charge coverage ratio. The Credit Agreement contains customary representations, warranties and affirmative covenants as well as customary negative covenants, subject to negotiated exceptions on liens, relating to other indebtedness, capital expenditures, liens, affiliate transactions, disposal of assets and certain changes in ownership.

Borrowings and all other obligations under the Credit Agreement (including amounts outstanding under the existing term notes (discussed below) are secured by all tangible and intangible personal property (including accounts receivable, inventory, equipment, general intangibles, documents, chattel paper, instruments, letter-of-credit rights, investment property, intellectual property and deposit accounts) and fixtures of the Company.

The terms of outstanding promissory notes, as amended, are as follows as of June 28, 2025:

- *Promissory Note – Rustic Inn purchase* – in the original principal amount of \$4,400,000, which is secured by a mortgage on the *Rustic Inn* real estate, is payable in equal quarterly installments of \$71,333, with a balloon payment of \$1,618,000 on June 1, 2028, and bears interest at SOFR plus 3.65% per annum.
- *Promissory Note – JB's on the Beach purchase* – in the original principal amount of \$7,000,000 and is payable in equal quarterly installments of \$250,000 through June 1, 2026 with interest at SOFR plus 3.65% per annum.
- *Promissory Note – Sequoia renovation* – in the original principal amount of \$3,200,000 and is payable in equal quarterly installments of \$114,286 through June 1, 2026 with interest at SOFR plus 3.65% per annum.

Promissory Note - Blue Moon Fish Company

On December 1, 2020, the Company acquired a restaurant and bar named *Blue Moon Fish Company* located in Lauderdale-by-the-Sea, FL. In connection with the purchase the Company entered into a four-year note held by the sellers in the amount of \$1,000,000 payable in monthly installments of \$23,029 including interest at 5%. This note was paid off in November 2024.

Deferred Financing Costs

Deferred financing costs incurred in the amount of \$409,000 (including \$105,000 incurred in connection with the above amendment) are being amortized over the life of the agreements using the effective interest rate method and included in interest expense. Amortization expense of approximately \$18,000 and \$13,000 is included in interest expense for the 13 weeks ended June 28, 2025 and June 29, 2024, respectively, and \$45,000 and \$40,000 for the 39 weeks ended June 28, 2025 and June 29, 2024, respectively.

8. COMMITMENTS AND CONTINGENCIES

Leases — The Company leases several restaurants, bar facilities, and administrative headquarters through its subsidiaries under terms expiring at various dates through 2046. Most of the leases provide for the payment of base rents plus real estate taxes, insurance and other expenses and, in certain instances, for the payment of a percentage of the restaurant's sales in excess of stipulated amounts at such facility and in one instance based on profits. In connection with one of our leases, the Company obtained and delivered an irrevocable letter of credit in the amount of \$324,000 as a security deposit under such lease.

Legal Proceedings — In the ordinary course of its business, the Company is a party to various lawsuits arising from accidents at its restaurants and workers' compensation claims, which are generally handled by the Company's insurance carriers. The employment by the Company of management personnel, waiters, waitresses and kitchen staff at a number of different restaurants has resulted in the institution, from time to time, of litigation alleging violation by the Company of employment discrimination laws. Management believes, based in part on the advice of counsel, that the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

The Company's agreements with the Bryant Park Corporation (the "Landlord") (a private non-profit corporation that operates and maintains Bryant Park under agreements with the City of New York Department of Parks & Recreation), for the *Bryant Park Grill & Cafe* expired on April 30, 2025 and for *The Porch at Bryant Park* expired on March 31, 2025. In July of 2023 (for the *Bryant Park Grill & Cafe*) and September of 2023 (for *The Porch at Bryant Park*), the Company received requests for proposals (the "RFPs") from the Landlord to which we responded on October 26, 2023. The agreements offered under the RFPs for both locations were for new 10-year agreements, with one five-year renewal option. In the second quarter of 2025, the Landlord stated publicly that it had selected a new operator for the *Bryant Park Grill & Café* and *The Porch at Bryant Park*. However, to the best of our knowledge, no agreements between the Landlord and the selected operator have received the approvals of either the City of New York Department of Parks & Recreation or the New York Public Library, of which both approvals are required before any new lease can become effective.

Management has been working with outside advisors in assisting with our efforts to obtain the extensions by ensuring the RFP awards process was both fair and transparent. On March 28, 2025, we filed a complaint in New York State Supreme Court (the "New York Action"), alleging among other things, that the bid process conducted by the Landlord was defective, failed to comply with the provisions of the agreements underlying the Landlord's right to operate Bryant Park and violated applicable law; that a lease was being awarded to a lower bidder with a limited, unsuccessful track record in the hospitality business; and that the award of the *Cafe* lease violated our right of first lease under our lease agreements. As part of the relief sought in the New York Action, we are requesting that the Court declare that, under the circumstances presented, the Landlord was required to accept—and should have accepted—our submitted bids. In addition, on March 28, 2025, we also filed a motion for a preliminary injunction in Court to enjoin the Landlord from commencing legal proceedings to evict the Company from the *Bryant Park Grill & Café* and *The Porch at Bryant Park* premises. On April 24, 2025, the Court denied the motion. We have filed a notice of appeal of the ruling. On April 29, 2025, we also filed a motion for a preliminary injunction in the New York State Supreme Court, Appellate Division, First Department. That motion is now pending. The Company has received from the Landlord a "notice to quit" the premises and for the Company to terminate its tenancy. On June 16, 2025, the Company filed an amended complaint in the New York Action, adding a cause of action for age discrimination by the Landlord in its selection of a new operator for the *Bryant Park Grill & Café* and *The Porch at Bryant Park*. On June 26, 2025, the Landlord filed counterclaims against the Company in the New York Action seeking, among other things, to eject the Company from the *Bryant Park Grill & Café* and *The Porch at Bryant Park* premises. The Company has continued to make all required use and occupancy payments for the *Bryant Park Grill & Café* and *The Porch at Bryant Park*, and will continue to make such payments.

As of the date of this filing, we continue to operate the above properties as a holdover tenant and intend to do so until we are either awarded the lease extensions or ordered to vacate the premises. The underlying lawsuit filed by the Company to protect its rights continues, and we will pursue all available options to protect the Company's interests.

Management, after consultation with legal counsel, is unable to predict the outcome of this matter at this time. While the outcome of these proceedings cannot be predicted with certainty, the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park*, collectively, accounted for \$19.7 million and \$23.3 million of our total revenues for the 39 weeks ended June 28, 2025 and June 29, 2024, respectively, which represented approximately 15.4% and 16.7% of our total revenue for such periods, respectively. If the Company is unable to prevail in the above actions and/or is unable to extend or renew these leases on favorable terms, if at all, it could have a material adverse effect on our business, financial condition, and results of operations.

9. STOCK OPTIONS

The Company has options outstanding under two stock option plans, the 2016 Stock Option Plan and the 2022 Stock Option Plan. Options granted under both plans are exercisable at prices at least equal to the fair market value of such stock on the dates the options were granted and expire 10 years after the date of grant.

On December 2, 2024, options to purchase 10,000 shares of common stock at an exercise price of \$9.99 per share were granted to an employee of the Company under the 2022 Stock Option Plan. Such options are exercisable as to 25% of the shares commencing on the first anniversary of the date of grant and as to an additional 25% on each yearly anniversary thereafter. The grant date fair value of these stock options was \$2.94 per share and totaled approximately \$29,000.

The fair value of stock options is estimated on the date of grant using a Black-Scholes option-pricing model that uses assumptions that relate to the expected volatility of the Company's common stock, the expected dividend yield of the Company's stock, the expected life of the options and the risk-free interest rate. The assumptions used for the above include a risk-free interest rate of 4.1%, volatility of 34.1%, a dividend yield of 3.7% and an expected life of 10 years.

During the 39-week period ended June 29, 2024, no options to purchase shares of common stock were issued by the Company.

The Company also maintains a Section 162(m) Cash Bonus Plan. Under the Company's Section 162(m) Cash Bonus Plan, compensation paid in excess of \$1,000,000 to any employee who is the chief executive officer or one of the three highest paid executive officers on the last day of that tax year (other than the chief executive officer or the chief financial officer) is not tax deductible.

A summary of stock option activity is presented below:

	2025			
	Shares	Weighted Average Exercise Price	Weighted Average Contractual Term	Aggregate Intrinsic Value
Outstanding, beginning of period	415,750	\$17.89	6.3 years	
Options:				
Granted	10,000	\$9.99		
Exercised	(2,000)	\$10.65		
Canceled or expired	(17,000)	\$18.84		
Outstanding and expected to vest, end of period	406,750	\$17.45	5.8 years	\$ —
Exercisable, end of period	319,875	\$18.52	5.0 years	\$ —
Shares available for future grant	360,000			

Compensation cost charged to operations for the 13 weeks ended June 28, 2025 and June 29, 2024 for stock-based compensation programs was approximately \$32,000 and \$51,000, respectively, and for the 39 weeks ended June 28, 2025 and June 29, 2024 was approximately \$114,000 and \$196,000, respectively. The compensation cost recognized is classified as a general and administrative expense in the consolidated condensed statements of operations.

As of June 28, 2025, there was approximately \$379,000 of unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a period of 3.5 years.

10. INCOME TAXES

We calculate our interim income tax provision in accordance with ASC Topic 270, *Interim Reporting*, and ASC Topic 740, *Accounting for Income Taxes*. At the end of each interim period, we estimate the annual effective tax rate and apply that rate to our ordinary year to date earnings. In addition, the tax effects of unusual or infrequently occurring items including changes in judgment about valuation allowances and effects of changes in enacted tax laws are recognized discretely in the interim period in which the change occurs. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and significant judgment including the expected operating income for the year, permanent and temporary differences as a result of differences between amounts measured and recognized in accordance with tax laws and financial accounting standards, and the likelihood of recovering deferred tax assets generated in the current fiscal year. The accounting estimates used to compute income tax expense may change as new events occur, additional information is obtained, or the tax environment changes.

The provision for income taxes for the 13-weeks ended June 28, 2025 was \$81,000 and the effective tax rate was 2.6%. The effective tax rate differs from the federal statutory rate of 21% primarily due to no tax benefit being provided on current year pre-tax operating losses. The provision for income taxes for the 39-weeks ended June 28, 2025 was \$5,019,000 and the effective tax rate was 223.6%. The effective tax rates differed from the federal statutory rate of 21% primarily due to no tax benefit being provided on current year pre-tax operating losses and a discrete tax provision of \$4,799,000 as the Company concluded that its net deferred tax assets were no longer realizable.

The income tax benefit for the 13- and 39-week periods ended June 29, 2024 was (\$213,000) and (\$202,000), respectively, and the effective tax rates were -31.0% and 18.6%, respectively. The effective tax rate differed from the federal statutory rate of 21% primarily as a result of the recognition of certain tax benefits related to the expected generation of FICA tax credits in the current year, operating income attributable to non-controlling interests that is not taxable to the Company, and the discrete tax benefit attributable to income related to the PPP Loan forgiveness which is not taxable for income tax reporting purposes.

On July 4, 2025, President Trump signed H.R. 1, the “One Big Beautiful Bill Act”, into law. In accordance with GAAP, the Company will account for the tax effects of changes in tax law in the period of enactment which is Q4 of fiscal year 2025. The Company is currently in the process of analyzing the tax impacts of the law change, but we do not expect a material impact on our effective tax rate.

The Company’s overall effective tax rate in the future will be affected by various factors and the final annual tax rate cannot be determined until the end of the fiscal year; therefore, the actual tax rate could differ from current estimates.

11. INCOME PER SHARE OF COMMON STOCK

Basic earnings per share is computed by dividing net income (loss) attributable to Ark Restaurants Corp. by the weighted average number of common shares outstanding for the period. Our diluted earnings per share is computed similarly to basic earnings per share, except that it reflects the effect of common shares issuable upon exercise of stock options, using the treasury stock method in periods in which they have a dilutive effect.

A reconciliation of shares used in calculating earnings per basic and diluted share follows (amounts in thousands):

	13 Weeks Ended		39 Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	March 30, 2024
Basic	3,605	3,604	3,605	3,604
Effect of dilutive securities:				
Stock options	—	23	—	24
Diluted	3,605	3,627	3,605	3,628

For the 13- and 39-week periods ended June 28, 2025, the dilutive effect of 396,750 options was not included in diluted earnings per share as their impact would be anti-dilutive.

For the 13- and 39-week periods ended June 29, 2024, the dilutive effect of 273,000 options was not included in diluted earnings per share as their impact would have been anti-dilutive.

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

This section and other parts of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), which are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different from the statements made herein. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to any historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "future," "intend," "outlook," "potential," "project," "projection," "plan," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other similar expressions. All forward-looking statements are expressly qualified in their entirety by these cautionary statements.

The following discussion and analysis should be read in conjunction with our Annual Report on Form 10-K for the year ended September 28, 2024 and the consolidated condensed financial statements and notes thereto included in Part I, Item 1 of this Form 10-Q. All information presented herein is based on our fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to our fiscal years and the associated quarters, months and periods of those fiscal years.

Recent Developments

Bryant Park Grill & Cafe and The Porch at Bryant Park

The Company's agreements with the Bryant Park Corporation (the "Landlord") (a private non-profit corporation that operates and maintains Bryant Park under agreements with the City of New York Department of Parks & Recreation), for the *Bryant Park Grill & Cafe* expired on April 30, 2025 and for *The Porch at Bryant Park* expired on March 31, 2025. In July of 2023 (for the *Bryant Park Grill & Cafe*) and September of 2023 (for *The Porch at Bryant Park*), the Company received requests for proposals (the "RFPs") from the Landlord to which we responded on October 26, 2023. The agreements offered under the RFPs for both locations were for new 10-year agreements, with one five-year renewal option. In the second quarter of 2025, the Landlord stated publicly that it had selected a new operator for the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park*. However, to the best of our knowledge, no agreements between the Landlord and the selected operator have received the approvals of either the City of New York Department of Parks & Recreation or the New York Public Library, of which both approvals are required before any new lease can become effective.

Management has been working with outside advisors in assisting with our efforts to obtain the extensions by ensuring the RFP awards process was both fair and transparent. On March 28, 2025, we filed a complaint in New York State Supreme Court (the "New York Action"), alleging among other things, that the bid process conducted by the Landlord was defective, failed to comply with the provisions of the agreements underlying the Landlord's right to operate Bryant Park and violated applicable law; that a lease was being awarded to a lower bidder with a limited, unsuccessful track record in the hospitality business; and that the award of the *Cafe* lease violated our right of first lease under our lease agreements. As part of the relief sought in the New York Action, we are requesting that the Court declare that, under the circumstances presented, the Landlord was required to accept—and should have accepted—our submitted bids. In addition, on March 28, 2025, we also filed a motion for a preliminary injunction in Court to enjoin the Landlord from commencing legal proceedings to evict the Company from the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* premises. On April 24, 2025, the Court denied the motion. We have filed a notice of appeal of the ruling. On April 29, 2025, we also filed a motion for a preliminary injunction in the New York State Supreme Court, Appellate Division, First Department. That motion is now pending. The Company has received from the Landlord a "notice to quit" the premises and for the Company to terminate its tenancy. On June 16, 2025, the Company filed an amended complaint in the New York Action, adding a cause of action for age discrimination by the Landlord in its selection of a new operator for the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park*. On June 26, 2025, the Landlord filed counterclaims against the Company in the New York Action seeking, among other things, to eject the Company from the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* premises. The Company has continued to make all required use and occupancy payments for the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park*, and will continue to make such payments.

As of the date of this filing, we continue to operate the above properties as a holdover tenant and intend to do so until we are either awarded the lease extensions or ordered to vacate the premises. The underlying lawsuit filed by the Company to protect its rights continues, and we will pursue all available options to protect the Company's interests.

Management, after consultation with legal counsel, is unable to predict the outcome of this matter at this time. While the outcome of these proceedings cannot be predicted with certainty, the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park*, collectively, accounted for \$19.7 million and \$23.3 million of our total revenues for the 39 weeks ended June 28, 2025 and June 29, 2024,

respectively, which represented approximately 15.4% and 16.7% of our total revenue for such periods, respectively. If the Company is unable to prevail in the above actions and/or is unable to extend or renew these leases on favorable terms, if at all, it could have a material adverse effect on our business, financial condition, and results of operations.

Inflation and Other Matters

Our operating results have been and continue to be impacted by geopolitical and macroeconomic events, causing increased commodity prices, wage inflation and other increased costs. The ongoing impact of these events could lead to further shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in the supply chain and delays in opening or acquiring new restaurants. If these factors significantly impact our cash flow in the future, we may again implement mitigation actions such as suspending dividends, increasing borrowings or modifying our operating strategies. Some of these measures may have an adverse impact on our business, including possible impairments of assets.

Overview

As of June 28, 2025, the Company owned and operated 16 restaurants and bars, 12 fast food concepts and catering operations, exclusively in the United States, that have similar economic characteristics, nature of products and service, class of customer and distribution methods. The Company believes it meets the criteria for aggregating its operating components into a single operating segment in accordance with applicable accounting guidance.

Accounting Period

Our fiscal year ends on the Saturday nearest September 30. We report fiscal years under a 52/53-week format. This reporting method is used by many companies in the hospitality industry and is meant to improve year-to-year comparisons of operating results. Under this method certain years will contain 53 weeks. The periods ended June 28, 2025 and June 29, 2024 each included 13 and 39 weeks.

Seasonality

The Company has substantial fixed costs that do not decline proportionally with sales. Although our business is highly seasonal, our broader geographical reach as a result of recent acquisitions mitigates some of the risk. For instance, the second quarter of our fiscal year, consisting of the non-holiday portion of the cold weather season in New York and Washington, D.C. (January, February and March), is the poorest performing quarter; however, in recent years this has been partially offset by our locations in Florida as they experience increased results in the winter months. We generally achieve our best results during the warm weather, attributable to our extensive outdoor dining availability, particularly at *Bryant Park* in New York and *Sequoia* in Washington, D.C. (our largest restaurants) and our outdoor cafes. However, even during summer months these facilities can be adversely affected by unusually cool or rainy weather conditions. Our facilities in Las Vegas are indoors and generally operate on a more consistent basis throughout the year.

Results of Operations

The Company's operating loss for the 13 weeks ended June 28, 2025 (which includes impairment charges of \$2,940,000 and \$1,760,000 related to *Sequoia's* ROU and long-lived assets, respectively, and a gain on the closure of *El Rio Grande* of \$178,000) decreased 514.4% as compared to operating income in the same period of the prior year (which includes impairment charges of \$1,561,000 and \$939,000 related to *Sequoia's* ROU and long-lived assets, respectively). Excluding the above items in the current and prior periods, adjusted operating income of \$1,107,000 for the 13 weeks ended June 28, 2025 decreased 66.7% as compared to adjusted operating income of \$3,324,000 for the 39 weeks ended June 29, 2024.

The Company's operating income for the 39 weeks ended June 28, 2025 (which includes: (i) a gain on the closure of *El Rio Grande* of \$173,000, (ii) a gain on the termination of our *Tampa Food Court* lease of \$5,235,000, (iii) impairment charges of \$2,940,000 and \$1,760,000 related to *Sequoia's* ROU and long-lived assets, respectively, and (iv) a goodwill impairment charge of \$3,440,000) decreased 291.2% as compared to the same period of the prior year (which includes impairment charges of \$1,561,000 and \$939,000 related to *Sequoia's* ROU assets and long-lived assets, respectively). Excluding the above items in the current and prior periods, adjusted operating income of \$390,000 for the 39 weeks ended June 28, 2025 decreased 89.5% compared to adjusted operating income of \$3,725,000 for the 39 weeks ended June 29, 2024.

The following table summarizes the significant components of the Company's operating results for the 13- and 39-week periods ended June 28, 2025 and June 29, 2024:

	13 Weeks Ended		Variance		39 Weeks Ended		Variance	
	June 28, 2025	June 29, 2024			June 28, 2025	June 29, 2024		
	(in thousands)		\$	%	(in thousands)		\$	%
REVENUES:								
Food and beverage sales	\$ 42,937	\$ 49,176	\$ (6,239)	-12.7 %	\$ 126,503	\$ 136,994	\$ (10,491)	-7.7 %
Other revenue	778	1,220	(442)	-36.2 %	1,925	3,145	(1,220)	-38.8 %
Total revenues	43,715	50,396	(6,681)	-13.3 %	128,428	140,139	(11,711)	-8.4 %
COSTS AND EXPENSES:								
Food and beverage cost of sales	12,060	13,304	(1,244)	-9.4 %	35,650	37,512	(1,862)	-5.0 %
Payroll expenses	15,280	17,479	(2,199)	-12.6 %	46,103	49,969	(3,866)	-7.7 %
Occupancy expenses	5,444	6,261	(817)	-13.0 %	17,128	18,368	(1,240)	-6.8 %
Other operating costs and expenses	6,038	6,305	(267)	-4.2 %	17,422	18,233	(811)	-4.4 %
General and administrative expenses	2,822	2,690	132	4.9 %	9,292	9,151	141	1.5 %
Depreciation and amortization	964	1,033	(69)	-6.7 %	2,443	3,181	(738)	-23.2 %
Gain on closure of El Rio Grande	(178)	—	(178)	N/A	(173)	—	(173)	N/A
Gain on closure of Tampa Food Court lease	—	—	—	N/A	(5,235)	—	(5,235)	N/A
Impairment losses on right-of use and long-lived assets	4,700	2,500	2,200	N/A	4,700	2,500	2,200	N/A
Goodwill impairment	—	—	—	N/A	3,440	—	3,440	N/A
Total costs and expenses	47,130	49,572	(2,442)	-4.9 %	130,770	138,914	(8,144)	-5.9 %
OPERATING INCOME (LOSS)	\$ (3,415)	\$ 824	\$ (4,239)	-514.4 %	\$ (2,342)	\$ 1,225	\$ (3,567)	-291.2 %

Revenues

During the 13- and 39-week periods ended June 28, 2025, revenues decreased 13.3% and 8.4%, respectively, as compared to revenues for the 13- and 39-week periods ended June 29, 2024. We attribute this decrease primarily to the decreases in same-store sales discussed below and the closures of *El Rio Grande* and the *Tampa Food Court*.

Food and Beverage Same-Store Sales

On a Company-wide basis, same-store sales decreased 7.4% during the 13 weeks ended June 28, 2025 as compared to the same period of last year as follows:

	13 Weeks Ended		Variance	
	June 28, 2025	June 29, 2024	\$	%
	(in thousands)			
Las Vegas	\$ 13,225	\$ 13,532	\$ (307)	-2.3 %
New York	8,273	10,455	(2,182)	-20.9 %
Washington, D.C.	2,515	3,178	(663)	-20.9 %
Atlantic City, NJ	595	734	(139)	-18.9 %
Alabama	5,333	5,690	(357)	-6.3 %
Florida	12,801	12,575	226	1.8 %
Same-store sales	<u>42,742</u>	<u>46,164</u>	<u>\$ (3,422)</u>	-7.4 %
Other	195	3,012		
Food and beverage sales	<u>\$ 42,937</u>	<u>\$ 49,176</u>		

Same-store sales in Las Vegas decreased 2.3% as a result of lower than expected headcounts from competition at *Yolos* located in Planet Hollywood Resort & Casino. Same-store sales in New York decreased 20.9% which we attribute primarily to decreases in both catering and a la carte revenue at the *Bryant Park Grill* as a result of the negative publicity related to our dispute with the landlord. Same-store sales in Washington, D.C. decreased 20.9% which we attribute primarily to lower headcounts as a result of challenging conditions associated with hybrid work schedules, government layoffs and elevated crime rates. Same-store sales in Atlantic City, NJ decreased 18.9% which we attribute primarily to lower than expected customer traffic at the property where we are located. Same-store sales in Alabama decreased 6.3% which we attribute primarily to lower customer traffic as a result of economic pressures on the customers who frequent our properties. Same-store sales in Florida increased 1.8% which we attribute primarily to increased headcounts. Other food and beverage sales consist of sales related to properties that were closed (*El Rio Grande* and the *Tampa Food Court*) and other fees.

On a Company-wide basis, same-store sales decreased 3.3% during the 39 weeks ended June 28, 2025 as compared to the same period of last year as follows:

	39 Weeks Ended		Variance	
	June 28, 2025	June 29, 2024	\$	%
	(in thousands)			
Las Vegas	\$ 41,479	\$ 42,175	\$ (696)	-1.7 %
New York	23,474	26,188	(2,714)	-10.4 %
Washington, D.C.	5,907	7,079	(1,172)	-16.6 %
Atlantic City, NJ	1,825	2,052	(227)	-11.1 %
Alabama	12,076	12,334	(258)	-2.1 %
Florida	39,141	38,355	786	2.0 %
Same-store sales	123,902	128,183	\$ (4,281)	-3.3 %
Other	2,601	8,811		
Food and beverage sales	\$ 126,503	\$ 136,994		

Same-store sales in Las Vegas decreased 1.7% as a result of lower than expected headcounts from competition at *Yolos* located in Planet Hollywood Resort & Casino. Same-store sales in New York decreased 10.4% which we attribute primarily to decreases in both catering and a la carte revenue at the *Bryant Park Grill* as a result of the negative publicity related to our dispute with the landlord. Same-store sales in Washington, D.C. decreased 16.6% which we attribute primarily to lower headcounts as a result of challenging conditions in the area associated with hybrid work schedules, government layoffs and elevated crime rates. Same-store sales in Atlantic City, NJ decreased 11.1% which we attribute primarily to lower than expected customer traffic at the property where we are located. Same-store sales in Alabama decreased 2.1% which we attribute primarily to lower customer traffic in the second half of the period as a result of inclement weather and economic pressures on the customers who frequent our properties, partially offset by targeted menu price increases in the first quarter. Same-store sales in Florida increased 2.0% which we attribute primarily to increased headcounts. Other food and beverage sales consist of sales related to properties that were closed (*El Rio Grande* and the *Tampa Food Court*) and other fees.

Costs and Expenses

Costs and expenses for the 13 and 39 weeks ended June 28, 2025 and June 29, 2024 were as follows (in thousands):

	13 Weeks Ended June 28, 2025		% to Total Revenues		13 Weeks Ended June 29, 2024		% to Total Revenues		Increase (Decrease)		39 Weeks Ended June 28, 2025		% to Total Revenues		39 Weeks Ended June 29, 2024		% to Total Revenues		Increase (Decrease)	
	\$				\$				\$	%	\$				\$				\$	%
Food and beverage cost of sales	\$	12,060	27.6 %	\$	13,304	26.4 %	\$	(1,244)	-9.4 %	\$	35,650	27.8 %	\$	37,512	26.8 %	\$	(1,862)	-5.0 %		
Payroll expenses		15,280	35.0 %		17,479	34.7 %		(2,199)	-12.6 %		46,103	35.9 %		49,969	35.7 %		(3,866)	-7.7 %		
Occupancy expenses		5,444	12.5 %		6,261	12.4 %		(817)	-13.0 %		17,128	13.3 %		18,368	13.1 %		(1,240)	-6.8 %		
Other operating costs and expenses		6,038	13.8 %		6,305	12.5 %		(267)	-4.2 %		17,422	13.6 %		18,233	13.0 %		(811)	-4.4 %		
General and administrative expenses		2,822	6.5 %		2,690	5.3 %		132	4.9 %		9,292	7.2 %		9,151	6.5 %		141	1.5 %		
Depreciation and amortization		964	2.2 %		1,033	2.0 %		(69)	-6.7 %		2,443	1.9 %		3,181	2.3 %		(738)	-23.2 %		
Gain on closure of El Rio Grande		(178)	-0.4 %		—	— %		(178)	N/A		(173)	-0.1 %		—	— %		(173)	N/A		
Gain on termination of Tampa Food Court lease		—	— %		—	— %		—	N/A		(5,235)	-4.1 %		—	— %		(5,235)	N/A		
Impairment losses on right-of-use and long-lived assets		4,700	10.8 %		2,500	5.0 %		2,200	N/A		4,700	3.7 %		2,500	1.8 %		2,200	N/A		
Goodwill impairment		—	— %		—	— %		—	N/A		3,440	2.7 %		—	— %		3,440	N/A		
Total costs and expenses	\$	47,130		\$	49,572		\$	(2,442)		\$	130,770		\$	138,914		\$	(8,144)			

Food and beverage costs as a percentage of total revenues for the 13 and 39 weeks ended June 28, 2025 increased as compared with the same periods of last year as a result of increases in commodity prices, which had been easing for several quarters, combined with a weaker event business in New York City and Washington, D.C. in the first and third quarters of the current year compared to the prior year.

Payroll expenses as a percentage of total revenues for the 13 and 39 weeks ended June 28, 2025 increased marginally as compared with the same periods of last year as a result of increasing minimum wages in the states where we operate partially offset by better management of overtime hours.

Occupancy expenses as a percentage of total revenues for the 13 and 39 weeks ended June 28, 2025 increased marginally as compared with the same period of last year primarily as a result of increases in base rents and increases in property and liability insurance premiums partially offset by lower percentage rents as a result of the sales decreases discussed above.

Other operating costs and expenses as a percentage of total revenues for the 13 and 39 weeks ended June 28, 2025 increased as compared to the same period of last year primarily as a result of inflation and restaurant-level legal fees incurred in connection with the *Bryant Park Grill & Café* and *The Porch at Bryant Park* dispute with the landlord.

General and administrative expenses (which relate solely to the corporate office in New York City) for the 13 and 39 weeks ended June 28, 2025 increased as compared to the same periods of last year primarily as a result of increased consulting fees partially offset by lower bonus accruals in the current period.

Depreciation and amortization expense for the 13 and 39 weeks ended June 28, 2025 decreased as compared to the same periods of last year primarily as a result of certain assets becoming fully depreciated and the removal of assets associated with *El Rio Grande* and the *Tampa Food Court*.

(Gain) Loss on Closure of El Rio Grande

In October 2024, the Company advised the landlord of *El Rio Grande* we would be terminating the lease and closing the property permanently. In connection with this notification, the Company recorded a loss of \$876,000 during the year ended September 28, 2024. The property closed permanently on January 3, 2025 and was vacated and delivered to the landlord on April 30, 2025. During the 13 weeks ended June 28, 2025, the Company recognized a gain of \$178,000 as a result of refinements of estimates. During the 39 weeks ended June 28, 2025, the Company recognized a gain in the amount of \$173,000 as a result of additional operating losses by the above refinements of estimates.

Gain on Termination of Tampa Food Court Lease

On November 26, 2024, the Company agreed to terminate its lease for the food court at The Hard Rock Hotel and Casino in Tampa, FL and, accordingly, vacated the premises on December 15, 2024. In connection with this, Ark Hollywood/Tampa Investment LLC, a subsidiary of the Company, (in which we own a 65% interest) received a termination payment in the amount of \$5,500,000, all obligations under the lease ceased and we recorded a gain, net of expenses, in the amount of \$5,235,000 during the 13 weeks ended December 28, 2024. During the 13 weeks ended March 29, 2025, Ark Hollywood/Tampa Investment LLC distributed approximately \$1,710,000 of the net proceeds, after expenses, to the other equity holders of Ark Hollywood/Tampa Investment LLC.

Impairment Losses on Right-of-Use and Long-lived Assets

During the 13 weeks ended June 29, 2024, impairment indicators were identified at our *Sequoia* property located in Washington, D.C. due to lower than expected operating results. Accordingly, the Company tested the recoverability of *Sequoia's* ROU and long-lived assets and concluded they were not recoverable. Based on a discounted cash flow analysis, the Company recognized impairment charges of \$1,561,000 and \$939,000 related to *Sequoia's* ROU and long-lived assets, respectively. The Company continued to monitor the performance of *Sequoia* throughout fiscal 2025 and, as a result of lower than expected operating results we tested the recoverability of its ROU and long-lived assets as of June 28, 2025. Based on a discounted cash flow analysis, we recognized additional impairment charges of \$2,940,000 and \$1,760,000 during the 13 weeks ended June 28, 2025 related to *Sequoia's* ROU and long-lived assets, respectively. Given the inherent uncertainty in projecting results of restaurants, the Company will continue to monitor the recoverability of the carrying value of the assets of *Sequoia* and several other restaurants on an ongoing basis. If expected performance is not realized, further impairment charges may be recognized in future periods, and such charges could be material.

Goodwill Impairment

Goodwill is the excess of cost over fair market value of tangible and intangible net assets acquired. Goodwill is not presently amortized but tested for impairment annually or when the facts or circumstances indicate a possible impairment of goodwill as a result of a continual decline in performance or as a result of fundamental changes in a market.

During the three months ended March 29, 2025, the Company identified a triggering event in accordance with the Financial Accounting Standards Board ("FASB"), Accounting Standards Update ("ASU") 350-20, "*Intangibles—Goodwill and Other*," primarily related to a decline in the Company's stock price in the second quarter of fiscal 2025 and the continued uncertainty related to the expiration of the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* leases (see Note 8 - Commitments and Contingencies). As a result, the Company performed an interim quantitative impairment test and based on the results of the assessment, the fair value of our equity was determined to be less than its carrying amount. Accordingly, the Company recognized a non-cash impairment charge of the remaining balance of its goodwill in the amount of \$3,440,000 in our consolidated condensed statements of operations for the 39 weeks ended June 28, 2025. The Company did not record any impairment to its goodwill during the 13 and 39 weeks ended June 29, 2024.

Gain on Sale of Condominiums

During the 13 weeks ended June 28, 2025, the Company sold two of the 14 condominium units it owns at the *Island Beach Resort* in Jensen Beach, FL which is adjacent to our *Shuckers* restaurant. In connection with the sales, the Company received net proceeds of \$839,000 and recorded a gain of \$391,000. The Company intends to sell all of these units subject to market forces.

Liquidity and Capital Resources

Our primary source of capital has been cash provided by operations and, in recent years, bank and other borrowings to finance specific transactions, acquisitions and large remodeling projects. We utilize cash generated from operations to fund the cost of developing and opening new restaurants and smaller remodeling projects of existing restaurants we own. Consistent with many other restaurant operators, we typically use operating lease arrangements for our restaurants. In recent years we have been able to acquire the underlying real estate at several locations along with the restaurant operation. We believe that our operating lease arrangements provide appropriate leverage of our capital structure in a financially efficient manner.

As of June 28, 2025, we had a cash and cash equivalents balance of \$12,325,000. The Company had a working capital deficit of \$2,767,000 at June 28, 2025 as compared with a working capital deficit of \$10,659,000 at June 29, 2024. This decrease in the deficit is primarily the result of the payment received in connection with the termination of the *Tampa Food Court* lease, amendments to the due dates of our notes payable and proceeds from the sales of the two condominiums.

Inflation

Our profitability is dependent on, among other things, our ability to anticipate and react to changes in the cost of food and other raw materials, labor, energy and other supplies and services. While we have not had material disruptions in our supply chain, we have experienced some product shortages and higher costs for many commodities. There has also been a general shortage in the availability of restaurant staff and hourly workers in certain geographic areas in which we operate and has caused increases in the costs of recruiting and compensating such employees. In addition, certain operating and other costs, including health benefits, taxes, insurance, and other outside services, continue to increase with the general level of inflation and may also be subject to other cost and supply fluctuations outside of our control.

While we have been able to offset inflation and other changes in the costs of key operating resources by targeted increases in menu prices, coupled with more efficient purchasing practices, there can be no assurance that we will be able to continue to do so in the future. From time to time, competitive conditions will limit our menu pricing flexibility. In addition, macroeconomic conditions that impact consumer discretionary spending for food away from home could make additional menu price increases imprudent. There can be no assurance that all of our future cost increases can be offset by higher menu prices or that higher menu prices will be accepted by our restaurant customers without any resulting changes in their visit frequencies or purchasing patterns.

Cash Flows for 39 Weeks Ended June 28, 2025 and June 29, 2024

Net cash provided by operating activities for the 39 weeks ended June 28, 2025 was \$1,119,000 as compared to \$3,926,000 in the same period as last year. This decrease resulted primarily from a decrease in operating income, excluding: (i) a loss on the closure of *El Rio Grande* of \$173,000 in fiscal 2025, (ii) a gain on the termination of our *Tampa Food Court* lease of \$5,235,000 in fiscal 2025, (iii) impairment charges related to *Sequoia's* ROU and long-lived assets of \$4,700,000 and 2,500,000 in fiscal 2025 and fiscal 2024, respectively, and (iv) a goodwill impairment charge of \$3,440,000 in fiscal 2025.

Net cash provided by investing activities for the 39 weeks ended June 28, 2025 was \$4,662,000 as compared to cash used in investing activities of \$1,204,000 in the same period as last year. This increase resulted primarily from the payment received in connection with the termination of our *Tampa Food Court* lease and the proceeds received from the sales of condominiums.

Net cash used in financing activities for the 39 weeks ended June 28, 2025 and June 29, 2024 was \$3,729,000 and \$4,670,000, respectively, and resulted primarily from principal payments on notes payable and the payment of distributions to non-controlling interests and in the prior year the payment of dividends.

Credit Facility

On March 30, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the "Credit Agreement"), with its lender, Bank Hapoalim B.M. ("BHBM") which originally matured on June 1, 2025. On May 29, 2025, the Company entered into an Omnibus Amendment to the Credit Agreement which: (i) extended the maturity date of the Credit Agreement to June 1, 2028, (ii) amended the terms of the outstanding promissory notes, (iii) reduced the maximum permitted obligations outstanding under the Credit Agreement from \$30,000,000 to \$20,000,000 (including the outstanding promissory notes), (iv) increased the minimum tangible net worth covenant from \$22,000,000 to \$28,000,000, and (v) removed the annual net income covenant. Advances and loans under the Credit Agreement bear interest, at the Company's election at the time of the advance, at either BHBM's prime rate of interest plus a 0.45% spread or SOFR plus a 3.65% spread. In addition, there is a 0.30% per annum fee for any unused portion of the facility. As of June 28, 2025, no advances were outstanding under the Credit Agreement. As of June 28, 2025, the weighted average interest on the outstanding BHBM indebtedness was approximately 8.0%.

Borrowings and all other obligations under the Credit Agreement, which include the promissory notes as discussed in Note 7 of the consolidated condensed financial statements, are secured by all tangible and intangible personal property (including accounts receivable, inventory, equipment, general intangibles, documents, chattel paper, instruments, letter-of-credit rights, investment property, intellectual property and deposit accounts) and fixtures of the Company. The Credit Agreement also requires, among other things, that the Company meet minimum quarterly tangible net worth amounts and maintain a minimum fixed charge coverage ratio. The Credit Agreement contains customary representations, warranties and affirmative covenants as well as customary negative covenants, subject to negotiated exceptions on liens, relating to other indebtedness, capital expenditures, liens, affiliate transactions, disposal of assets and certain changes in ownership.

Deferred Tax Asset Valuation Allowance

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. A valuation allowance is established when, based on an evaluation of all available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The determination of the need for a valuation allowance requires significant judgment, including an assessment of the Company's recent earnings history, future taxable income projections, the nature and expiration period of temporary differences, tax planning strategies, and changes in tax laws and regulations. As of March 29, 2025, the Company concluded that its net deferred tax assets in the amount of \$4,799,000 were no longer realizable on a more-likely-than-not basis as the Company is now in a cumulative loss position due to the goodwill impairment recorded in the current quarter and, accordingly, recorded a discrete tax provision for such amount as it can no longer rely on forecasts of future taxable income to support the realization of such deferred tax assets.

Management will continue to evaluate the need for a valuation allowance on a quarterly basis and may adjust the allowance as new information becomes available. If actual results differ from these estimates or if the Company's assumptions change, the valuation allowance may need to be adjusted in future periods, which could materially affect the Company's financial condition and results of operations.

Cash Flow Outlook

As discussed above, the Company's agreements with the Bryant Park Corporation (the "Landlord"), (a private non-profit corporation that operates and maintains Bryant Park under agreements with the City of New York Department of Parks & Recreation) for the *Bryant Park Grill & Cafe* expired on April 30, 2025 and for *The Porch at Bryant Park* expired on March 31, 2025.

As of the date of this filing, we continue to operate the above properties as a holdover tenant and intend to do so until we are either awarded the lease extensions or ordered to vacate the premises. The underlying lawsuit filed by the Company to protect its rights continues, and we will pursue all available options to protect the Company's interests.

Management, after consultation with legal counsel, is unable to predict the outcome of this matter at this time. While the outcome of these proceedings cannot be predicted with certainty, the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park*, collectively, accounted for \$19.7 million and \$23.3 million of our total revenues for the 39 weeks ended June 28, 2025 and June 29, 2024, respectively, which represented approximately 15.4% and 16.7% of our total revenue for such periods, respectively. The Company's inability to extend or renew these leases on favorable terms, if at all, could have a material adverse effect on our business, financial condition, and results of operations.

Other than the status of the above property, we are not aware of any other trends or events that would materially affect our capital requirements or liquidity. We believe that our existing cash balances, internal cash-generating capabilities, current banking facilities and ability to secure additional financing, if necessary, are sufficient to finance our capital expenditures, debt maturities and other operating activities for at least the next 12 months.

Critical Accounting Estimates

The preparation of financial statements requires the Company to make estimates and assumptions of future events. In the process of preparing its consolidated condensed financial statements, the Company estimates the appropriate carrying value of certain assets and liabilities, which are not readily apparent from other sources. The critical accounting estimates underlying the Company's consolidated condensed financial statements include projected cash flows for fixed asset impairments, allowances for potential bad debts on accounts and notes receivable, assumptions regarding discount rates related to lease accounting, the useful lives and recoverability of its long-lived assets, such as property and intangibles, fair values of financial instruments, the realizable value of its tax assets and other matters. Management bases its estimates on certain assumptions, which it believes are reasonable in the circumstances, and actual results could differ from those estimates. Although management does not believe that any change in those assumptions in the near term would have a material effect on the Company's consolidated condensed financial position or the results of operations, differences in actual results could be material to the consolidated condensed financial statements.

There have been no material changes in our critical accounting policies and estimates from those disclosed in Item 7 of our Annual Report on Form 10-K for the year ended September 28, 2024.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not Applicable.

Item 4. Controls and Procedures*Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on this evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of June 28, 2025 to ensure that all material information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to them as appropriate to allow timely decisions regarding required disclosure and that all such information is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the third quarter of fiscal 2025 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Limitations of the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this Item may be found in Note 8 - Commitments and Contingencies to the Consolidated Condensed Financial Statements in this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Item 1A. Risk Factors

Not Applicable.

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

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Insider Trading Arrangements and Policies

During the third quarter of 2025, none of our directors or executive officers adopted Rule 10b5-1 trading plans and none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

10.1* [Omnibus Amendment](#)

31.1* [Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

31.2* [Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

32** [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

101.INS* XBRL Instance Document

101.SCH* XBRL Taxonomy Extension Schema Document

101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* XBRL Taxonomy Extension Label Linkbase Document

101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

Date: August 12, 2025

ARK RESTAURANTS CORP.

By: /s/ Michael Weinstein
Michael Weinstein
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Anthony J. Sirica
Anthony J. Sirica
President, Chief Financial Officer and Director
(Principal Financial and Accounting Officer)

OMNIBUS AMENDMENT

This OMNIBUS AMENDMENT (this "Amendment"), dated as of May 29, 2025, is made by and among BANK HAPOALIM B.M. (the "Lender"), with an address of 1120 Avenue of the Americas, New York, New York 10036, and ARK RESTAURANTS CORP., a New York corporation (the "Borrower"), with an address of 85 5th Avenue, New York, New York 10003.

RECITALS

A. The Lender and the Borrower are parties to (i) that certain Second Amended and Restated Credit Agreement (Revolving Facility) dated as of March 30, 2023 (as amended, amended and restated, renewed and otherwise modified from time to time, the "Revolving Credit Agreement"), (ii) that certain Omnibus Credit Agreement (Term Loans) dated as of June 1, 2018 (as amended, amended and restated, renewed and otherwise modified from time to time, the "Term Credit Agreement"), and together with the Revolving Credit Agreement, the "Credit Agreements") and (iii) the Credit Documents (as defined in the Revolving Credit Agreement and the Term Credit Agreement) (collectively, as amended, amended and restated, renewed and otherwise modified from time to time, the "Loan Documents").

B. The Lender and the Borrower now desire to extend the maturities of the revolving credit facility and the term loan facilities existing under the Loan Documents, modify certain financial covenants set forth in the Loan Documents, release certain liens granted pursuant to the Loan Documents and otherwise amend certain terms and conditions of the Loan Documents as specifically set forth herein.

AGREEMENT

1. Recitals and Definitions. The recitals set forth above shall be incorporated herein by this reference as if set forth at length. Capitalized terms used but not defined in this Amendment shall have the meaning given to them in the Revolving Credit Agreement and/or the Term Credit Agreement as applicable. All references to any section or sections in this Amendment shall refer to sections of the Revolving Credit Agreement or the Term Credit Agreement as applicable.

2. Reaffirmation of Credit Agreements and the other Loan Documents. The Credit Agreements and the other Loan Documents are hereby reaffirmed and continue in full force and effect, except as expressly modified by this Amendment.

3. Amendments to the Revolving Credit Agreement. The Revolving Credit Agreement is hereby amended as follows, effective as of the date hereof:

3.1. Commitment Termination Date. The definition of "Commitment Termination Date" set forth in Section 1.1 (*Definitions of Capitalized Terms*) of the Revolving Credit Agreement is hereby deleted and replaced with the following:

"Commitment Termination Date" shall mean **May 31, 2028**.

3.2. Maturity Date. The definition of “Maturity Date” set forth in Section 1.1 (*Definitions of Capitalized Terms*) of the Revolving Credit Agreement is hereby deleted and replaced with the following:

“Maturity Date” shall mean **June 1, 2028**.

3.3. Limits. Section 2.6(c) (*Limits*) of the Revolving Credit Agreement is hereby amended by deleting “\$30,000,000.00” set forth in subclause (iv) thereof and inserting “**\$20,000,000.00**” in lieu thereof, the effect of which shall be to reduce the maximum permitted amount of the Obligations under the Loan Documents by \$10,000,000.00 to \$20,000,000.00.

3.4. Tangible Net Worth. Section 8.1 (*Tangible Net Worth*) of the Revolving Credit Agreement is hereby amended by deleting “\$22,000,000.00” set forth therein and inserting “**\$28,000,000.00**” in lieu thereof, the effect of which shall be to increase the minimum required Tangible Net Worth from \$22,000,000.00 to \$28,000,000.00.

3.5. Net Income. Section 8.3 (*Net Income*) of the Revolving Credit Agreement is hereby deleted in its entirety, the effect of which shall be to eliminate the “no net loss” covenant.

4. Amendments to the Term Credit Agreement. The Term Credit Agreement is hereby amended as follows, effective as of the date hereof:

4.1. Tangible Net Worth. Section 9.1 (*Tangible Net Worth*) of the Term Credit Agreement is hereby amended by deleting “\$22,000,000.00” set forth therein and inserting “**\$28,000,000.00**” in lieu thereof, the effect of which shall be to increase the minimum required Tangible Net Worth from \$22,000,000.00 to \$28,000,000.00.

4.2. Net Income. Section 9.3 (*Net Income*) of the Term Credit Agreement is hereby deleted in its entirety, the effect of which shall be to eliminate the “no net loss” covenant.

5. Amendments to the Term Facility Notes. Each of (i) the Amended and Restated Promissory Note dated June 1, 2018 in the original principal amount of \$4,400,000.00 with respect to the Rustic Inn, (ii) the Promissory Note dated May 15, 2019 in the original principal amount of \$3,200,000.00 with respect to Sequoia and (iii) the Promissory Note dated May 15, 2019 in the original principal amount of \$7,000,000.00 with respect to JB's On the Beach (collectively, as amended to date, the “Term Facility Notes”), is hereby further amended as follows, effective as of the date hereof:

5.1. The definition of “Maturity” set forth in Section 1 (*Definitions*) of each of the Term Facility Notes is hereby deleted and replaced with the following:

“Maturity” shall mean **June 1, 2028**.

5.2. Anything in the Term Facility Notes to the contrary notwithstanding, the

Borrower shall continue to make quarterly principal payments under such Term Facility Notes on the Principal Payment Dates (as defined therein) in accordance with the terms of the Term Facility Notes until Maturity and all other terms and conditions of the Term Facility Notes shall continue in full force and effect.

6. Condominium Units. The Lender hereby releases all Liens granted to the Lender in and to the Condominium Units described on Exhibit A attached hereto and made a part hereof (the "Released Condominium Units") and permits Borrower to use the proceeds from the sale of the Released Condominium Units for general corporate purposes. Such Liens shall be, and are hereby, forever and irrevocably satisfied, released, discharged and terminated. All Liens granted to the Lender in the other Condominium Units (excluding the Released Condominium Units) shall remain unmodified and in full force and effect and shall continue to be binding and enforceable against the Borrower. The Lender shall, at the Borrower's sole cost and expense (which the Borrower hereby agrees to pay promptly upon the Lender's request therefor), execute, as applicable, and deliver to the Borrower (or any designee of the Borrower, including its counsel) all documents and instruments reasonably requested by the Borrower (or any designee of the Borrower, including its counsel), and take such other actions as the Borrower may reasonably request, to evidence the satisfaction, release, discharge and termination of the Liens of the Lender in and to the Released Condominium Units (including, as applicable, promptly filing (or authorizing the Borrower or any of its designees to file) all satisfactions, releases, terminations or discharges authorized by the Lender as may be necessary to evidence, effectuate or reflect of public record the releases contemplated by this Amendment).

7. Representations and Warranties. The Borrower represents and warrants to the Lender that, except as expressly set forth in this Amendment: (a) there is no Event of Default or any event which is, or with notice or the lapse of time or both would be, an Event of Default under the Credit Agreements or the other Loan Documents, (b) the representations and warranties in the Credit Agreements and the other Loan Documents are true as of the date of this Amendment as if made on the date of this Amendment, (c) this Amendment does not conflict with any law, agreement, or obligation by which the Borrower is bound, (d) this Amendment is within the Borrower's powers, has been duly authorized, and does not conflict with any of the Borrower's organizational documents, and (e) this Amendment constitutes a legal, valid and binding agreement of the Borrower, enforceable in accordance with its terms, except as enforceability may be affected by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally. The Borrower further represents and warrants to the Lender that the corporate documents of the Borrower delivered to the Lender on March 30, 2023 have not been modified and remain in full force and effect as of the date hereof.

8. No Offsets; Waiver of Claims.

8.1 The Borrower represents, warrants and confirms that as of the date hereof, the obligations owed by the Borrower to the Lender under the Credit Agreements and the other Loan Documents are not subject to any defenses, recoupments, set-offs or counterclaims of any kind whatsoever; and any and all such defenses, recoupments, set-offs or counterclaims are hereby expressly waived by the Borrower.

8.2 The Borrower agrees that there exist no claims or charges relating to any actions or inactions of the Lender in extending financial accommodations to the Borrower under the Credit Agreements and the other Loan Documents or in the Lender's making disbursements to the Borrower thereunder or in otherwise administering the Credit Agreements.

8.3 The Borrower waives, releases and discharges any and all claims or causes of action of any kind whatsoever, whether at law or in equity, and including, but not limited to, all claims, defenses, recoupments, set-offs or counterclaims of any kind whatsoever, arising on or prior to the date hereof, which the Borrower may have against the Lender in connection with the Credit Agreements and the other Loan Documents. The waivers, releases and discharges made and given herein include the waiver by the Borrower of any damages which may have been or may in the future be caused to the Borrower, its property or business prospects because of the actions waived and released and the agreements made herein, including without limitation, any actual or implicit, direct or indirect, incidental or consequential damages suffered by the Borrower therefrom, including but not limited to (a) lost profits, (b) loss of business opportunity, (c) increased financing costs, (d) increased legal and other administrative fees and (e) damages to business reputation.

9. Conditions. This Amendment will be effective when the Lender receives the following items in form and substance satisfactory to the Lender:

- 9.1 this Amendment, executed and delivered by the Borrower;
- 9.2 such other documents, instruments and information as the Lender or its counsel may require in its sole and absolute discretion;
- 9.3 payment by the Borrower of all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by the Lender in connection with this Amendment; and
- 9.4 payment of the Lender's amendment fee of \$100,000.00.

10. Effect of Amendment. Except as expressly amended hereby, all of the terms and conditions of the Credit Agreements and the other Loan Documents shall remain in full force and effect, unmodified and enforceable against the Borrower in accordance with their terms. The Credit Agreements and the other Loan Documents and this Amendment shall be read and construed as one and the same instrument. To the extent there is any inconsistency between the terms and provisions of this Amendment, on the one hand, and the Credit Agreements and the other Loan Documents, on the other, the terms and provisions of this Amendment shall govern. This Amendment is a modification, to the extent provided herein, of the Borrower's obligations under the Credit Agreements and the other Loan Documents and is not given in substitution therefor or extinguishment thereof and is not intended to be a novation.

11. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall

be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or in Portable Document Format (PDF) or other means of electronic transmission shall be as effective as delivery of a manually executed counterpart of this Amendment and shall be deemed to be an original signature. At the request of either party hereto, the other party hereto shall re-execute original forms hereof and deliver them to the requesting party. No party hereto shall raise the use of a facsimile machine or Portable Document Format (PDF) or other means of electronic transmission to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or Portable Document Format (PDF) or other means of electronic transmission as a defense to the formation or enforceability of a contract and each of the parties forever waives any such defense.

12. FINAL AGREEMENT. BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THIS DOCUMENT REPRESENTS THE FINAL AGREEMENT BETWEEN PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, (B) THIS DOCUMENT SUPERSEDES ANY COMMITMENT LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS RELATING TO THE SUBJECT MATTER HEREOF, UNLESS SUCH COMMITMENT LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS EXPRESSLY PROVIDES TO THE CONTRARY, (C) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (D) THIS DOCUMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.


[SIGNATURE PAGE(S) FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers, all as of the day and year first written above.

BORROWER:

ARK RESTAURANTS CORP.


By: _____



Anthony Sirica
Chief Financial Officer

[Signature Page to Omnibus Amendment]

LENDER:

BANK HAPOALIM B.M.,
as Lender

By: 
Name: Michael Gorman III
Title: SVP

By: 
Name: Joseph Romano
Title: FVP

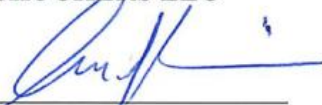
CONSENT OF MORTGAGORS/GRANTORS

Each of the undersigned, the mortgagor and/or grantor under a mortgage and/or security Agreement in favor of Bank Hapoalim B.M. hereby consents to the foregoing Omnibus Amendment and hereby acknowledges and agrees that such mortgage and/or security agreement shall continue to secure inter alia one or more of the Term Facility Notes referred to in that Omnibus Amendment as amended thereby. Nothing in this consent shall be construed to make any of the undersigned a maker of any such Term Facility Note.

[Signature Pages Follow]

[Consent of Mortgagors/Grantors]


ARK SHUCKERS LLC

By: 
Anthony Sirica
Chief Financial Officer

ARK SHUCKERS REAL ESTATE, LLC

By: 
Anthony Sirica
Chief Financial Officer

ARK OYSTER HOUSE GULF SHORES I, LLC

By: 
Anthony Sirica
Chief Financial Officer

ARK CAUSEWAY REAL ESTATE, LLC

By: 
Anthony Sirica
Chief Financial Officer

ARK OYSTER HOUSE CAUSEWAY II, LLC

By: 
Anthony Sirica
Chief Financial Officer

ARK GULF SHORES REAL ESTATE, LLC

By: 
Anthony Sirica
Chief Financial Officer

ARK AC BURGER BAR LLC

By: 
Anthony Sirica
Chief Financial Officer


ARK ISLAND BEACH RESORT, LLC

By: 
Anthony Sirica
Chief Financial Officer

RIO RESTAURANT ASSOCIATES HOLDINGS, L.P.

By: 
Anthony Sirica
Chief Financial Officer


ARK DEERFIELD BEACH, LLC

By: 
Anthony Sirica
Chief Financial Officer

RIO RESTAURANT ASSOCIATES, L.P.

By: 
Anthony Sirica
Chief Financial Officer


ARK LAS VEGAS RESTAURANT CORP.

By: 
Anthony Sirica
Chief Financial Officer

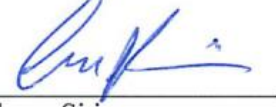
ARK POTOMAC CORP.

By: 
Anthony Sirica
Chief Financial Officer

ARK RUSTIC INC, LLC

By: 
Anthony Sirica
Chief Financial Officer

ARK RUSTIC INN REAL ESTATE, LLC

By: 
Anthony Sirica
Chief Financial Officer

[Signature Page to Consent of Mortgagors/Grantors]

EXHIBIT A

RELEASED CONDOMINIUM UNITS

The following Condominium Units owned by Ark Island Beach Real Estate, LLC, in Island Beach Club, a Condominium, located in St. Lucie County, Florida:

9800 South Ocean Drive, Unit 301, Jensen Beach, FL 34957

9800 South Ocean Drive, Unit 404, Jensen Beach, FL 34957

9800 South Ocean Drive, Unit 408, Jensen Beach, FL 34957

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Weinstein, certify that:

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

Dated: August 12, 2025

/s/ Michael Weinstein

Michael Weinstein
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony J. Sirica, certify that:

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

Dated: August 12, 2025

/s/ Anthony J. Sirica

Anthony J. Sirica
Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 28, 2025 of Ark Restaurants Corp. (the “Registrant”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Michael Weinstein, Chief Executive Officer and Anthony J. Sirica, Chief Financial Officer, of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

- (i) this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o(d)); and
- (ii) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated as of this 12th day of August 2025

/s/ Michael Weinstein
Michael Weinstein
Chief Executive Officer
(Principal Executive Officer)

/s/ Anthony J. Sirica
Anthony J. Sirica
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley act of 2002 has been provided to Ark Restaurants Corp. and will be retained by Ark Restaurants Corp. and furnished to the Securities and Exchange Commission or its staff upon request.