

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 27, 2026
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 \$0.01 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 such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller Reporting Company	☒
Emerging Growth Company	☐		

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

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

As of August 7, 2026, 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 and tariffs, 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;
- the outcome of our appeal of the trial court's grant of summary judgment in favor of the landlord and the related order of ejectment with respect to the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park*, and the requirement that we vacate those premises and cease operations at those locations upon the expiration of the court-ordered stay of enforcement, currently expected to occur on or about October 16, 2026, unless the court's decisions are reversed on appeal or the stay is extended or further relief is obtained;
- our ability to realize the expected benefits associated with our investment in the New Meadowlands Racetrack LLC, if at all, including the timing and outcome of any future legislative action and voter referendum concerning casino gaming at the Meadowlands (no referendum on which will occur in 2026), the potential dilution of our interest in connection with any future capital raising by NMR, and the potential for a material impairment of the investment;
- 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 27, 2026 (unaudited)	September 27, 2025 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 9,492	\$ 11,324
Accounts receivable	2,355	1,989
Employee receivables	99	136
Inventories	2,234	2,016
Prepaid and refundable income taxes	356	349
Prepaid expenses and other current assets	1,542	2,029
Total current assets	16,078	17,843
FIXED ASSETS - Net	31,605	29,168
OPERATING LEASE RIGHT-OF-USE ASSETS - Net	68,108	73,358
TRADEMARKS	4,220	4,220
INTANGIBLE ASSETS - Net	—	13
INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACK	6,736	6,743
OTHER ASSETS	2,158	2,158
TOTAL ASSETS	\$ 128,905	\$ 133,503
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 4,521	\$ 4,483
Accrued expenses and other current liabilities	9,181	10,805
Current portion of operating lease liabilities	6,502	6,439
Current portion of notes payable	285	1,493
Total current liabilities	20,489	23,220
OPERATING LEASE LIABILITIES, LESS CURRENT PORTION	70,434	75,785
NOTES PAYABLE, LESS CURRENT PORTION, net of deferred financing costs	6,765	2,024
DEFERRED INCOME TAXES	328	360
TOTAL LIABILITIES	98,016	101,389
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Common stock, par value \$0.01 per share - authorized, 10,000 shares; issued and outstanding, 3,606 shares at June 27, 2026 and September 27, 2025	36	36
Additional paid-in capital	14,037	13,989
Retained earnings	17,442	18,701
Total Ark Restaurants Corp. shareholders' equity	31,515	32,726
NON-CONTROLLING INTERESTS	(626)	(612)
TOTAL EQUITY	30,889	32,114
TOTAL LIABILITIES AND EQUITY	\$ 128,905	\$ 133,503

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 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
REVENUES:				
Food and beverage sales	\$ 40,309	\$ 42,937	\$ 116,703	\$ 126,503
Other revenue	572	778	1,511	1,925
Total revenues	40,881	43,715	118,214	128,428
COSTS AND EXPENSES:				
Food and beverage cost of sales	11,257	12,060	32,318	35,650
Payroll expenses	15,314	15,280	43,169	46,103
Occupancy expenses	5,131	5,444	16,980	17,128
Other operating costs and expenses	5,940	6,038	16,334	17,422
General and administrative expenses	2,779	2,822	8,323	9,292
Depreciation and amortization	601	964	1,794	2,443
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	—	4,700
Goodwill impairment	—	—	—	3,440
Total costs and expenses	41,022	47,130	118,918	130,770
OPERATING LOSS	(141)	(3,415)	(704)	(2,342)
OTHER (INCOME) EXPENSE:				
Interest expense	143	101	276	327
Interest income	(33)	(11)	(55)	(33)
Gain on sales of condominiums	—	(391)	(135)	(391)
Total other (income) expense, net	110	(301)	86	(97)
LOSS BEFORE PROVISION FOR INCOME TAXES	(251)	(3,114)	(790)	(2,245)
Provision for income taxes	10	81	62	5,019
CONSOLIDATED NET LOSS	(261)	(3,195)	(852)	(7,264)
Net income attributable to non-controlling interests	(86)	(259)	(407)	(2,284)
NET LOSS ATTRIBUTABLE TO ARK RESTAURANTS CORP.	\$ (347)	\$ (3,454)	\$ (1,259)	\$ (9,548)
NET LOSS ATTRIBUTABLE TO ARK RESTAURANTS CORP. PER COMMON SHARE:				
Basic	\$ (0.10)	\$ (0.96)	\$ (0.35)	\$ (2.65)
Diluted	\$ (0.10)	\$ (0.96)	\$ (0.35)	\$ (2.65)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:				
Basic	3,606	3,605	3,606	3,605
Diluted	3,606	3,605	3,606	3,605

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY (unaudited)
(In Thousands)

For the 13 weeks ended June 27, 2026

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Ark Restaurants Corp. Shareholders' Equity	Non- controlling Interests	Total Equity
	Shares	Amount					
BALANCE - March 28, 2026	3,606	\$ 36	\$ 14,053	\$ 17,789	\$ 31,878	\$ (573)	\$ 31,305
Net income (loss)	—	—	—	(347)	(347)	86	(261)
Stock-based compensation activity	—	—	(16)	—	(16)	—	(16)
Distributions to non-controlling interests	—	—	—	—	—	(139)	(139)
BALANCE - June 27, 2026	3,606	\$ 36	\$ 14,037	\$ 17,442	\$ 31,515	\$ (626)	\$ 30,889

For the 39 weeks ended June 27, 2026

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Ark Restaurants Corp. Shareholders' Equity	Non- controlling Interests	Total Equity
	Shares	Amount					
BALANCE - September 27, 2025	3,606	\$ 36	\$ 13,989	\$ 18,701	\$ 32,726	\$ (612)	\$ 32,114
Net income (loss)	—	—	—	(1,259)	(1,259)	407	(852)
Stock-based compensation activity	—	—	48	—	48	—	48
Distributions to non-controlling interests	—	—	—	—	—	(421)	(421)
BALANCE - June 27, 2026	3,606	\$ 36	\$ 14,037	\$ 17,442	\$ 31,515	\$ (626)	\$ 30,889

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY (unaudited)
(In Thousands)

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 CASH FLOWS (Unaudited)
(In Thousands)

	39 Weeks Ended	
	June 27, 2026	June 28, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net loss	\$ (852)	\$ (7,264)
Adjustments to reconcile consolidated net loss to net cash (used in) provided by operating activities:		
Stock-based compensation activity	48	60
Deferred income taxes	(32)	4,799
Accrued interest on note receivable from NMR	7	(34)
Depreciation and amortization	1,794	2,443
Amortization of lease liabilities	(38)	308
Amortization of deferred financing costs	26	45
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
Goodwill impairment	—	3,440
Gain on sales of condominiums	(135)	(391)
Changes in operating assets and liabilities:		
Accounts receivable	(366)	455
Inventories	(218)	169
Prepaid, refundable and accrued income taxes	(7)	50
Prepaid expenses and other current assets	487	(466)
Other assets	—	5
Accounts payable - trade	38	(154)
Accrued expenses and other current liabilities	(1,624)	(1,638)
Net cash (used in) provided by operating activities	(872)	1,119
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(4,464)	(1,625)
Loans and advances made to employees	(14)	(8)
Payments received on employee receivables	51	114
Proceeds from sales of condominiums	381	829
Payment received in connection with termination of Tampa Food Court lease	—	5,500
Investment in NMR	—	(148)
Net cash (used in) provided by investing activities	(4,046)	4,662
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(1,493)	(1,376)
Borrowings under credit facility	5,000	—
Payment of debt financing costs	—	(105)
Proceeds from issuance of stock upon exercise of stock options	—	21
Distributions to non-controlling interests	(421)	(2,269)
Net cash provided by (used in) financing activities	3,086	(3,729)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,832)	2,052
CASH AND CASH EQUIVALENTS, Beginning of period	11,324	10,273
CASH AND CASH EQUIVALENTS, End of period	\$ 9,492	\$ 12,325
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 256	\$ 286
Income taxes	\$ 102	\$ 169

See notes to consolidated condensed financial statements.

ARK RESTAURANTS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

June 27, 2026

(Unaudited)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated condensed balance sheet as of September 27, 2025, 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 27, 2025 ("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 Rule 8-03 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.

COMPREHENSIVE INCOME (LOSS) — Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. For all periods presented in these consolidated condensed financial statements, the Company had no components of other comprehensive income or loss. Accordingly, comprehensive loss equals net loss for each of the 13-week and 39-week periods ended June 27, 2026 and June 28, 2025, and no separate statement of comprehensive income (loss) has been presented.

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 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 27, 2026 are not necessarily indicative of the results to be expected for any other interim period or for the year ending October 3, 2026.

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 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, this is 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 the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch 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.

As discussed in Note 8 - Commitments and Contingencies, the Company is currently operating the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* pursuant to a court-ordered stay of an order of ejectment, which is currently expected to

expire on or about October 16, 2026, a date that falls within the first quarter of our fiscal year 2027. Unless the Court's decisions are reversed on appeal or the stay is extended or further relief is obtained, the Company will be required to vacate these premises and cease operations at these locations upon the expiration of the stay. Because these locations have historically been among the most significant contributors to our peak warm-weather results, the loss of these operations would both reduce our overall revenues and increase the seasonality of our remaining business, as the seasonal strength these locations have historically provided would no longer be available to offset the weaker performance of our other locations during the winter months.

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 collected 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 believes 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 27, 2026 and September 27, 2025, the Company had accounts receivable balances due from one hotel operator totaling 28% and 29% of total accounts receivable, respectively.

For the each of 13-week periods ended June 27, 2026 and June 28, 2025, the Company made purchases from two vendors that in the aggregate accounted for 26% and 20% of total purchases, respectively. For the 39-week periods ended June 27, 2026 and June 28, 2025, the Company made purchases from one vendor that accounted for 11% of total purchases in both periods. No other vendor accounted for 10% or more of total purchases during any period presented.

As of June 27, 2026, all debt outstanding is with one lender (see Note 7 – Notes Payable).

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.

The Company considers a triggering event related to long-lived assets or ROU assets in a net asset position to have occurred related to a specific restaurant if the restaurant's cash flows for the last 12 months are less than a minimum threshold or if consistent levels of undiscounted cash flows for the remaining lease period are less than the carrying value of the restaurant's assets. Additionally, the Company considers a triggering event related to ROU assets to have occurred related to a specific lease if the location has been subleased and future estimated sublease income is less than current lease payments. If the Company concludes that the carrying value of certain long-lived and ROU assets will not be recovered based on expected undiscounted future cash flows, an impairment loss is recorded to reduce the long-lived or ROU assets to their estimated fair value. The fair value is measured on a nonrecurring basis using unobservable (Level 3) inputs. There is uncertainty in the projected undiscounted future cash flows used in the Company's impairment review analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods, and such charges could be material.

During the 13 weeks ended June 28, 2025, 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 \$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.

The Company performed a triggering-event assessment as of June 27, 2026 and concluded that no events or changes in circumstances indicated that the carrying amount of its long-lived assets or ROU assets may not be recoverable. Accordingly, no

impairment charges were recognized related to long-lived assets and ROU assets during the 13 and 39 weeks ended June 27, 2026. The ROU assets related to the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* were fully amortized upon the expiration of the related agreements during the year ended September 27, 2025. The long-lived assets that are not fully depreciated at those locations, consisting of furniture, fixtures and equipment that can be redeployed to other Company locations, have a de minimis net book value. Accordingly, the Company does not have material long-lived asset or ROU asset exposure at those locations that would be subject to impairment as a result of the matters described in Note 8 — Commitments and Contingencies. In performing this assessment, the Company also considered the operating results of its *Sequoia* restaurant in Washington, D.C., for which impairment charges were recognized during the 13 weeks ended June 28, 2025, and concluded that estimated undiscounted cash flows over the remaining lease term exceeded the carrying value of the restaurant's assets. Subsequent to the end of the quarter, on July 15, 2026, the Company entered into an amendment to the *Sequoia* lease that reduces the Company's cash rent obligations during the Lease Restructure Term (see Note 6 — Leases). The Company will account for this lease modification, and will reassess the recoverability of *Sequoia's* ROU and long-lived assets, during the fourth quarter of fiscal 2026, the period in which the amendment was executed. 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 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.

TRADEMARKS — Trademarks are not amortized, but are subject to impairment analysis. We assess the potential impairment of 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 trademarks are impaired, we record an impairment charge in our consolidated condensed statements of operations.

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 27, 2026 and June 28, 2025, the Company did not record any impairment charges related to its trademarks.

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 \$3,353,000 and \$3,076,000 in catering services revenue for the 13-week periods ended June 27, 2026 and June 28, 2025, respectively, and \$10,606,000 and \$10,794,000 for the 39-week periods ended June 27, 2026 and June 28, 2025, respectively. Unearned revenue, which is included in accrued expenses and other current liabilities on the consolidated condensed balance sheets, as of June 27, 2026 and September 27, 2025 was \$2,829,000 and \$4,265,000, 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 27, 2026 and September 27, 2025, the total liability for gift cards in the amounts of approximately \$464,000 and \$438,000, 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.

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 27, 2026, the Company owned and operated 16 restaurants and bars, 12 fast food concepts and catering operations, exclusively in the United States. Each restaurant and fast food concept is an operating component, because discrete financial information is available for each location and those operating results are regularly reviewed by the Company's chief operating decision maker to allocate resources and assess performance. The Company has aggregated these operating components into a single reportable segment because they have similar economic characteristics, including the nature of the products and services, the nature of the production processes, the type or class of customer, the methods used to distribute products and provide services, and the nature of the regulatory environment. See Note 12 — Segment Information.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS — For the fiscal year ended September 27, 2025, the Company adopted Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). The amendments in this update are intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The disclosures required by ASU 2023-07 can be found in Note 12 - Segment Information of these consolidated financial statements.

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 and are not expected to have a material impact on our consolidated financial statements or related disclosures.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS — In December 2025, the Financial Accounting Standards Board (the "FASB") issued ASU 2025-11, *Narrow-Scope Improvements (Topic 270): Interim Reporting*. This update makes targeted, narrow-scope improvements to the interim reporting guidance in Topic 270 to clarify application and improve consistency in practice. The amendments do not change the underlying principles of interim reporting. The amendments in this ASU are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company expects to adopt this guidance in the first quarter of fiscal 2029. The Company does not expect the adoption of this ASU to have a material effect on its consolidated financial statements.

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 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 27, 2026 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 September 30, 2026, subject to further extensions as set out in the agreement. To date, approximately \$5,000,000 has been spent on this refresh, the work is substantially complete and the majority of the location is open to customers. We expect to complete the work by the extended deadline.

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 agreed to materially refresh all three of these premises. As part of this refresh, the Company opened a new concept called *Lucky Pig* in the *Village Eateries* at a cost of approximately \$850,000. In addition, the Company spent an additional \$950,000 on refreshing *Broadway Burger Bar and Grill*, *Gonzalez y Gonzalez* and other areas of the *Village Eateries* as required in the lease extensions.

Each of the above refresh obligations is 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 \$0 and \$14,000 to the mother of Samuel Weinstein, the Co-Chief Operating Officer, for design services during the 13 weeks ended June 27, 2026 and June 28, 2025, respectively, and \$14,000 and \$48,000 during the 39 weeks ended June 27, 2026 and 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. 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 39 weeks ended June 27, 2026, the Company sold one of the 11 condominium units it owns at the *Island Beach Resort* in Jensen Beach, FL, which is adjacent to our *Shuckers* restaurant. In connection with the sale, the Company received net proceeds of \$381,000 and recorded a gain of \$135,000. The Company intends to sell the remaining 10 units subject to market forces.

4. INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACK

Investment

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 27, 2026 and June 28, 2025, the Company did not receive any distributions from NMR.

Advances

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, net of repayments, and accrued interest related to this note in the amounts of \$1,480,000 and \$1,487,000 are included in Investment in and Receivable from New Meadowlands Racetrack in the consolidated condensed balance sheets at June 27, 2026 and September 27, 2025, respectively.

Other

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 27, 2026 and September 27, 2025, \$17,000 and \$34,000 were due to AM VIE by NMR, respectively.

Recent Developments and Valuation

NMR has been actively pursuing a full casino license (including slots and table games like blackjack and roulette) to supplement its existing horse racing and sports betting operations. Any gaming license in the state of New Jersey outside of Atlantic City, including at the Meadowlands Racetrack, requires ratification of an amendment to the State of New Jersey constitution, followed by issuance of a license by the New Jersey Casino Control Commission. In January 2026, the New Jersey Senate Government, Wagering, Tourism & Historic Preservation Committee proposed a constitutional amendment to allow the legislature to authorize casino gambling at both the Monmouth Park and Meadowlands Racetracks. Such amendment will require a three-fifths vote in both legislative chambers followed by a voter referendum in a general election before becoming law. No vote on this amendment had been taken by the state legislature as of the date of this filing, which is beyond the August 3, 2026 deadline for submission of proposed amendments to the State of New Jersey Constitution to be voted upon at the November 2026 general election. As a result, the proposed amendment will not appear on the ballot, and no voter referendum on casino gaming at the Meadowlands will occur in 2026. The proposed amendment, or a similar amendment, may be placed on the ballot at a future general election, which could occur as early as November 2027 or in a subsequent general election; however, no assurance can be given as to whether or when the state legislature will approve such an amendment or a voter referendum will be held. If a referendum were ultimately held and the voting results were favorable, NMR could possibly open a temporary gaming facility within approximately one year following voter approval and a permanent facility within approximately two years thereafter, subject to the issuance of a license by the New Jersey Casino Control Commission and completion of any required development.

The Company believes that the voter referendum on the proposed constitutional amendment, if and when one is held, will be the most significant event in determining the ultimate realizability of the Company's investment in NMR. If a referendum is held and the amendment is approved by voters, the Company believes the value of its investment would be supported by the potential expansion of gaming operations at the Meadowlands, subject to NMR obtaining a casino license and completing the required development. Conversely, if a referendum is held and the amendment is rejected by voters, or if the Company otherwise concludes that the approval of casino gaming at the Meadowlands is no longer reasonably possible, the value of the investment would be based solely on NMR's existing operations, which may not support the current carrying value of the investment, and the Company would expect to record an impairment charge at that time, which could be material. The Company will continue to monitor legislative and other developments concerning gaming at the Meadowlands and will continue to evaluate the investment for impairment each reporting period.

The Company's investment in NMR is subject to a high degree of uncertainty. Any potential future expansion of gaming operations at the Meadowlands, including the approval of casino gaming, would require legislative action, voter approval and regulatory approvals, none of which are within the Company's control and none of which can be assured. The realization of any potential benefit from this investment is dependent on factors that are inherently uncertain and may not occur within a predictable timeframe, if at all. In addition, NMR may require significant additional capital in connection with any future development efforts, including funding for potential referendum-related activities. To the extent the Company does not participate in such funding, or if NMR raises capital from third parties, the Company's ownership interest may be diluted.

The Company did not record any impairments during the 13 and 39 weeks ended June 27, 2026 and June 28, 2025. Any future changes in the carrying value of our investment in NMR will be reflected in earnings.

The Company does not rely on NMR to fund its operations, meet its liquidity needs or drive its near-term financial performance.

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

	June 27, 2026	September 27, 2025
	(In thousands)	
Sales tax payable	\$ 733	\$ 612
Accrued wages and payroll related costs	3,447	3,618
Customer advance deposits	2,829	4,265
Accrued occupancy and other operating expenses	2,172	2,310
	<u>\$ 9,181</u>	<u>\$ 10,805</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 27, 2026. 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 that at the date we enter into the lease 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.

Subsequent to the end of the quarter, on July 15, 2026, the Company entered into an amendment to its *Sequoia* restaurant lease located in Washington, DC. The amendment provides for a two-year lease restructure period commencing April 1, 2026 and ending March 31, 2028 (the "Lease Restructure Term"), during which the Company will pay annual base rent of \$1,350,000, payable in monthly installments of \$112,500, in lieu of its obligations to pay base rent, percentage rent, its share of real estate taxes, and certain utility and miscellaneous billback charges otherwise required under the lease. During the Lease Restructure Term, the Company will also pay percentage rent equal to 10% of gross sales in excess of an annual breakpoint of \$10,000,000. Upon expiration of the Lease Restructure Term, the contractual rent provisions of the existing lease will resume through the lease expiration date of November 30, 2034. The amendment also provides the landlord a termination right if the Company fails to achieve specified gross sales thresholds (\$9,000,000 in the twelve months following the Lease Restructure Term and \$10,000,000 in subsequent calendar years), exercisable upon not less than six months' prior written notice; the Company concluded that this provision did not change its assessment of the lease term as of the modification date.

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

	13 Weeks Ended		39 Weeks Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	(In thousands)		(In thousands)	
Operating lease expense - occupancy expenses (1)	\$ 3,233	\$ 3,289	\$ 9,700	\$ 9,964
Operating lease expense - general and administrative expenses	125	121	367	363
Variable lease expense - occupancy expenses	721	775	2,991	2,730
Total lease expense	<u>\$ 4,079</u>	<u>\$ 4,185</u>	<u>\$ 13,058</u>	<u>\$ 13,057</u>

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

Supplemental cash flow information related to leases:

	39 Weeks Ended	
	June 27, 2026	June 28, 2025
	(In thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	\$ 12,522	\$ 12,543

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

	June 27, 2026	September 27, 2025
Operating leases:		
Weighted average remaining lease term	10.3 years	10.9 years
Weighted average discount rate	6.4 %	6.2 %

The annual maturities of our lease liabilities as of June 27, 2026 are as follows:

Fiscal Year Ending	Operating Leases (In thousands)
October 3, 2026	\$ 2,834
October 2, 2027	11,146
September 30, 2028	11,232
September 29, 2029	11,117
September 28, 2030	10,823
Thereafter	57,041
Total future lease commitments	104,193
Less: imputed interest	(27,257)
Present value of lease liabilities	76,936
Less: Current maturities	(6,502)
Long-term portion	<u>\$ 70,434</u>

7. NOTES PAYABLE

Notes payable consist of the following:

	June 27, 2026	September 27, 2025
	(In thousands)	
Promissory Note - Rustic Inn purchase	\$ 2,117	\$ 2,403
Promissory Note - JB's on the Beach purchase (1)	—	750
Promissory Note - Sequoia renovation (1)	—	456
Borrowings under Credit Agreement	5,000	—
	7,117	3,609
Less: Current maturities	(285)	(1,493)
Less: Unamortized deferred financing costs	(67)	(92)
Long-term portion	\$ 6,765	\$ 2,024

(1) These notes were paid in full on June 1, 2026.

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, which was subsequently amended to \$25,000,000 on March 28, 2026, 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 the Secured Overnight Financing Rate ("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 27, 2026, revolving credit borrowings of \$5,000,000 were outstanding under the Credit Agreement. As of June 27, 2026, the weighted average interest on the outstanding BHBM indebtedness was approximately 7.3%.

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. The Company was in compliance with all of its financial covenants under the Credit Agreement as of June 27, 2026.

Borrowings and all other obligations under the Credit Agreement (including amounts outstanding under the existing term note (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 note are as follows as of June 27, 2026:

- *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.

There have been no material changes in the contractual maturities of long-term debt as disclosed in the Company's Annual Report on Form 10-K for the year ended September 27, 2025.

Deferred Financing Costs

Deferred financing costs incurred in the amount of \$105,000 in connection with the above amendment are being amortized over the life of the agreements using the effective interest rate method and are included in interest expense. Deferred financing costs

incurred in the amount of \$304,000 related to the expired agreement were fully amortized as of September 27, 2025. Amortization expense of approximately \$8,000 and \$18,000 is included in interest expense for the 13 weeks ended June 27, 2026 and June 28, 2025, respectively, and \$26,000 and \$45,000 for the 39 weeks ended June 27, 2026 and June 28, 2025, 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.

Bryant Park Grill — 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* and the *Bryant Park Café* 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* and the *Bryant Park Café*) 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*, the *Bryant Park 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 to assist the Company's efforts to ensure that the RFP awards process was both fair and transparent and to enforce the Company's right of first lease under the Company's lease agreements in connection with the *Bryant Park Café*. On March 28, 2025, the Company 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 lease for the *Café* violated the Company's right of first lease. As part of the relief sought in the New York Action, the Company requested that the court declare that, under the circumstances presented, the Landlord was required to accept—and should have accepted — its submitted bids. The Company 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*, the *Bryant Park 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*, the *Bryant Park Café* and *The Porch at Bryant Park*. On July 16, 2025, the Company moved to dismiss eight of the fourteen counterclaims filed by the Landlord. On July 29, 2025, the Landlord filed a motion to require the Company to make monthly use and occupancy payments in connection with the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* during the pendency of the case. On August 13, 2025, the Court issued a decision requiring the Company to make the use and occupancy payments demanded by the Landlord during the pendency of the case. Given that the Company had made and has continued to make all payments pursuant to the relevant leases while it continues to operate the restaurants, it did not substantively oppose the Landlord's motion or appeal the Court's decision. On December 8, 2025, the Court dismissed the Landlord's claims for declaratory judgment, unjust enrichment, and tortious interference. On January 9, 2026, the Landlord moved for summary judgment, seeking dismissal of the Company's claims and judgment in its favor on its counterclaims for ejectment, breach of contract, and use and occupancy. The Company cross-moved for summary judgment, seeking judgment in its favor on its causes of action for enforcement of its right of first lease and its cause of action for age discrimination.

By decision and order dated June 18, 2026, and entered on June 22, 2026, the Court granted the Landlord's motion for summary judgment, in part, and granted and denied the Company's cross-motion, in part. The Court granted the Company's motion for summary judgment on its breach of contract claim, ruling that the Company is entitled to damages to the extent it was harmed by the Landlord's breach of the Company's right of first lease. A trial will be held to determine the Company's damages, with a pre-trial conference scheduled for September 22, 2026. The Court granted judgment in favor of the Landlord on its counterclaims for ejectment and use and occupancy. The Court ruled that the Company be ejected from the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* premises. On June 26, 2026, the Court issued judgment of ejectment with respect to the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* premises. Also on June 26, 2026, the Company filed a notice of appeal to the Appellate Division of the Supreme Court of the State of New York, First Judicial Department, from the Court's June 22, 2026 decision and order.

On June 30, 2026, the Company moved, by order to show cause, to fix an undertaking pursuant to CPLR 5519(a)(6) arguing that it has an automatic right to stay enforcement of the order of ejectment pending appeal of the Court's decision on the motions for summary judgment. In connection with that motion, the Court entered a temporary restraining order enjoining the Landlord and its agents from ejecting or evicting the Company, or otherwise disturbing the Company's possession of the premises, pending argument of the motion. On July 1, 2026, the Landlord moved for leave to reargue that portion of the Court's decision granting the Company summary judgment on its breach of contract claim based on the right of first lease. Following oral arguments held on July 16, 2026, the Court issued a decision and order dated July 16, 2026, and entered on July 17, 2026, granting the Company's motion in part and staying enforcement of the order of ejectment for three months from the date of the decision and order (i.e., through on or about October 16, 2026), conditioned upon the Company: (i) filing an undertaking in the amount of \$125,000 with the Clerk of the Court on or before July 23, 2026, and (ii) continuing to make the monthly use and occupancy payments previously ordered by the Court until the termination of the stay. Under the terms of the order, failure to timely file the undertaking would result in the stay being vacated, and if the Company fails to make the required use and occupancy payments, the Landlord may move on three days' notice to vacate the stay. On July 21, 2026, the Company filed the required undertaking in the amount of \$125,000 with the Clerk of the Court and filed a notice of compliance with the Court. The Company has continued to make the required use and occupancy payments. The Company intends to move in the Appellate Division of the Supreme Court of the State of New York, First Judicial Department, to extend the current stay of enforcement of the order of ejectment beyond the three months to the pendency of the Company's appeal of the Court's June 22, 2026 summary judgment decision. On August 3, 2026, the Court denied the Landlord's motion to reargue that portion of the Court's decision granting the Company summary judgment on its breach of contract claim based on the right of first lease.

As of the date of this filing, the Company continues to operate the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* pursuant to the stay described above and intends to do so while it pursues its appeal and all other available options to protect the Company's interests. However, unless the Court's decisions are reversed on appeal or the stay is extended or further relief is obtained, the Company will be required to vacate these premises and cease operations at these locations upon the expiration of the stay, currently expected to occur on or about October 16, 2026.

Management, after consultation with legal counsel, is unable to predict the outcome of the appeal or related proceedings at this time. The uncertainty related to this dispute has had, and is expected to continue to have, a material adverse impact on our business, financial condition, and results of operations. If the Company is unable to prevail on appeal and/or is otherwise unable to extend or renew these leases on favorable terms, if at all, the loss of these operations would have a material adverse impact on our business, financial condition, and results of operations. The *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park*, collectively, accounted for \$17.1 million and \$19.7 million of our total revenues for the 39 weeks ended June 27, 2026 and June 28, 2025, respectively, which represented approximately 14.5% and 15.4% of our total revenue for such periods, respectively.

Historically, the Company has made rent payments related to the *Bryant Park Grill* and the *Bryant Park Café* based on prior year sales as required in the relevant agreements. As a result of the decline in sales due to the above litigation, such payments were in excess of the contractual minimums and were recorded as prepaid rent as they were expected to be applied against future lease obligations or otherwise recovered. However, based on the status of ongoing legal proceedings, and in consultation with external legal counsel, management determined that the prepaid rent balance was not probable of recovery. As a result, during the 13 weeks ended March 28, 2026, the Company recorded a charge of \$566,000 to write off the amount of prepaid rent, which is included in occupancy expenses in the accompanying consolidated condensed statements of operations. Were the Company to prevail on appeal, it is possible these amounts could be recovered.

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.

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 27, 2026, 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:

	2026			
	Shares	Weighted Average Exercise Price	Weighted Average Contractual Term	Aggregate Intrinsic Value
Outstanding, beginning of period	387,250	\$17.66	5.5 years	
Options:				
Granted	—			
Exercised	—			
Canceled or expired	(17,750)	\$16.96		
Outstanding and expected to vest, end of period	369,500	\$17.69	4.8 years	\$ —
Exercisable, end of period	316,375	\$18.24	4.3 years	\$ —
Shares available for future grant	360,000			

Compensation cost charged to operations for the 13 weeks ended June 27, 2026 and June 28, 2025 for stock-based compensation programs was approximately \$35,000 and \$32,000, respectively, and total stock-based compensation activity for the 13 weeks ended June 27, 2026 and June 28, 2025 was (\$16,000) and (\$21,000), respectively, which includes reversal of stock-based compensation expense relating to forfeitures in the amounts of \$51,000 and \$53,000 for the 13 weeks ended June 27, 2026 and June 28, 2025, respectively.

Compensation cost charged to operations for the 39 weeks ended June 27, 2026 and June 28, 2025 for stock-based compensation programs was approximately \$99,000 and \$114,000, respectively, and total stock-based compensation activity for the 39 weeks ended June 27, 2026 and June 28, 2025 was \$48,000 and \$60,000, respectively, which includes reversal of stock-based compensation expense relating to forfeitures in the amounts of \$51,000 and \$54,000 for the 39 weeks ended June 27, 2026 and June 28, 2025, respectively.

Compensation cost recognized is classified as a general and administrative expense in the consolidated statements of operations.

As of June 27, 2026, there was approximately \$160,000 of unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a period of 1.6 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 and 39 weeks ended June 27, 2026 was \$10,000 and \$62,000, respectively, and the effective tax rate was 4.0% and 7.8%, respectively. The effective tax rate differs from the federal statutory rate of 21% primarily as a result of a reduction in our valuation allowance, operating income attributable to non-controlling interests that is not taxable to the Company, and state and local taxes.

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 on a more-likely-than-not basis as the Company is now in a cumulative loss position due to the goodwill impairment recognized during the quarter.

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 (LOSS) 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 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
Basic	3,606	3,605	3,606	3,605
Effect of dilutive securities:				
Stock options	—	—	—	—
Diluted	3,606	3,605	3,606	3,605

For the 13- and 39-week periods ended June 27, 2026, the dilutive effect of 369,500 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 28, 2025, the dilutive effect of 396,750 options was not included in diluted earnings per share as their impact would have been anti-dilutive.

12. SEGMENT INFORMATION

Operating segments are defined as components of a company that engage in business activities from which it may earn revenue and incur expenses, and for which separate financial information is available and is regularly reviewed by the chief operating decision maker ("CODM") to assess the performance of the individual segments and make decisions about company resources such as personnel and working capital to be allocated to the segments.

The Company determined that each of its restaurants and fast food concepts is an operating component and that these operating components meet the criteria for aggregation into a single reportable segment, as described in Note 1 — Basis of Presentation and Significant Accounting Policies. This determination is reflected in the Company's current organizational and management structure. The accounting policies of the reportable segment are the same as those described in Note 1 - Basis of Presentation and Significant Accounting Policies.

The Company's CODM is the Chief Executive Officer. The Company's CODM reviews discrete operating results for each operating component, as well as financial performance on a consolidated basis, by comparing actual results to expected and prior period results. This approach allows the CODM to assess whether the Company's operating components are meeting their financial goals, identify trends and make more informed decisions about resource allocation and performance targets.

When evaluating the Company's financial performance, the CODM regularly reviews total revenues, expenses and consolidated net income (loss) as reported on the consolidated condensed statements of operations, as well as non-GAAP measures, such as

adjusted operating income (loss), to allocate Company resources and assess the performance of the Company. Segment asset information is not used by the CODM to assess performance and allocate resources.

The table below is a summary of the segment net loss, including significant segment expenses for the 13 and 39 weeks ended June 27, 2026 and June 28, 2025:

	13 Weeks Ended		39 Weeks Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	(in thousands)		(in thousands)	
REVENUES:				
Food and beverage sales	\$ 40,309	\$ 42,937	\$ 116,703	\$ 126,503
Other revenue	572	778	1,511	1,925
Total revenues	40,881	43,715	118,214	128,428
COSTS AND EXPENSES:				
Food and beverage cost of sales	11,257	12,060	32,318	35,650
Payroll expenses	15,314	15,280	43,169	46,103
Occupancy expenses	5,131	5,444	16,980	17,128
Other operating costs and expenses (1)	5,940	6,038	16,334	17,422
General and administrative expenses	2,779	2,822	8,323	9,292
Depreciation and amortization	601	964	1,794	2,443
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	—	4,700
Goodwill impairment	—	—	—	3,440
Interest expense, net	110	90	221	294
Other (income) expense, net (2)	—	(391)	(135)	(391)
Provision for income taxes	10	81	62	5,019
Segment net loss	(261)	(3,195)	(852)	(7,264)
Reconciliation of profit or loss:				
Adjustments and reconciling items	—	—	—	—
Consolidated net loss	\$ (261)	\$ (3,195)	\$ (852)	\$ (7,264)

(1) Other operating costs and expenses are comprised of utilities, repairs and maintenance, advertising, credit card processing fees, restaurant supplies and other restaurant operating costs.

(2) Other (income) expenses, net includes gain on sales of condominiums.

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 27, 2025 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.

Overview

As of June 27, 2026, the Company owned and operated 16 restaurants and bars, 12 fast food concepts and catering operations, exclusively in the United States. The Company's operating components have been aggregated into one reportable segment. See Note 12 — Segment Information to the consolidated condensed financial statements.

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 27, 2026 and June 28, 2025 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 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, this is 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 the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch 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.

As discussed above under "Recent Developments" and in Note 8 to the consolidated condensed financial statements, the Company is currently operating the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* pursuant to a court-ordered stay of an order of ejectment, which is currently expected to expire on or about October 16, 2026, a date that falls within the first quarter of our fiscal year 2027. Unless the Court's decisions are reversed on appeal or the stay is extended or further relief is obtained, the Company will be required to vacate these premises and cease operations at these locations upon the expiration of the stay. Because these locations have historically been among the most significant contributors to our peak warm-weather results, the loss of these operations would both reduce our overall revenues and increase the seasonality of our remaining business, as the seasonal strength these locations have historically provided would no longer be available to offset the weaker performance of our other locations during the winter months.

Recent Developments

Bryant Park Grill, the Bryant Park Café and The Porch at Bryant Park

The Company's lease agreements for the *Bryant Park Grill* and the *Bryant Park Café* expired on April 30, 2025 and for *The Porch at Bryant Park* expired on March 31, 2025. In response to requests for proposals issued by the landlord in 2023, the Company submitted bids for new long-term agreements. In the second quarter of 2025, the landlord publicly announced the

selection of a new operator for these locations; however, to the best of our knowledge, the required approvals from the City of New York Department of Parks & Recreation and the New York Public Library have not been obtained, and no new lease has become effective.

On March 28, 2025, the Company filed a complaint in New York State Supreme Court challenging the lease award process and asserting its contractual rights, including its right of first lease in connection with the *Bryant Park Café*. On January 9, 2026, the landlord moved for summary judgment and the Company cross-moved for summary judgment on its causes of action for enforcement of its right of first lease and for age discrimination. By decision and order dated June 18, 2026, and entered on June 22, 2026, the Court granted the landlord's motion for summary judgment, in part, and granted and denied the Company's cross-motion for summary judgment, in part. The Court granted the Company's motion for summary judgment on its breach of contract claim, ruling that the Company is entitled to damages to the extent it was harmed by the landlord's breach of the Company's right of first lease. A trial will be held to determine the Company's damages, with a pre-trial conference scheduled for September 22, 2026. The Court granted judgment in favor of the landlord on its counterclaims for ejectment and use and occupancy and ruled that the Company be ejected from the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* premises. On June 26, 2026, the Court issued a judgment of ejectment with respect to those premises. Also on June 26, 2026, the Company filed a notice of appeal to the Appellate Division of the Supreme Court of the State of New York, First Judicial Department, from the Court's June 22, 2026 decision and order.

On June 30, 2026, the Company moved, by order to show cause, to fix an undertaking pursuant to CPLR 5519(a)(6) arguing that it has an automatic right to stay enforcement of the order of ejectment pending appeal of the Court's decision on the motions for summary judgment. In connection with that motion, the Court entered a temporary restraining order enjoining the landlord and its agents from ejecting or evicting the Company, or otherwise disturbing the Company's possession of the premises, pending argument of the motion. On July 1, 2026, the landlord moved for leave to reargue that portion of the Court's decision granting the Company summary judgment on its breach of contract claim based on the right of first lease. Following oral arguments held on July 16, 2026, the Court issued a decision and order dated July 16, 2026, and entered on July 17, 2026, granting the Company's motion in part and staying enforcement of the order of ejectment for three months (i.e., through on or about October 16, 2026), conditioned upon the Company: (i) filing an undertaking in the amount of \$125,000 on or before July 23, 2026 and (ii) continuing to make the monthly use and occupancy payments previously ordered by the Court until the termination of the stay. Under the terms of the order, failure to timely file the undertaking would result in the stay being vacated, and if the Company fails to make the required use and occupancy payments, the Landlord may move on three days' notice to vacate the stay. On July 21, 2026, the Company filed the required undertaking and a notice of compliance with the Court. The Company has continued to make the required use and occupancy payments. The Company intends to move in the Appellate Division of the Supreme Court of the State of New York, First Judicial Department, to extend the current stay of enforcement of the order of ejectment beyond the three months through the pendency of the Company's appeal of the Court's June 22, 2026 summary judgment decision. On August 3, 2026, the Court denied the Landlord's motion to reargue that portion of the Court's decision granting the Company summary judgment on its breach of contract claim based on the right of first lease.

As of the date of this filing, we continue to operate the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* pursuant to the stay described above and intend to do so while we pursue our appeal and all other available options to protect the Company's interests. However, unless the Court's decisions are reversed on appeal or the stay is extended or further relief is obtained, the Company will be required to vacate these premises and cease operations at these locations upon the expiration of the stay, currently expected to occur on or about October 16, 2026.

Management, after consultation with legal counsel, is unable to predict the outcome of the appeal or related proceedings at this time. The *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* represented a significant portion of the Company's revenues, collectively accounting for \$17.1 million and \$19.7 million, or approximately 14.5% and 15.4%, of total revenues for the 39 weeks ended June 27, 2026 and June 28, 2025, respectively. The uncertainty related to this dispute has had, and is expected to continue to have, a material adverse impact on our business, financial condition, and results of operations, and the loss of these operations upon expiration of the stay, or the Company's inability to otherwise retain these locations on favorable terms, or at all, would have a material adverse impact on our business, financial condition, and results of operations.

Historically, the Company has made rent payments related to the *Bryant Park Grill* and the *Bryant Park Café* based on prior year sales as required in the relevant agreements. As a result of the decline in sales due to the above litigation, such payments were in excess of the contractual minimums and were recorded as prepaid rent as they were expected to be applied against future lease obligations or otherwise recovered. Based on the status of the legal proceedings, and in consultation with external legal counsel, management determined that the prepaid rent balance is not probable of recovery, and during the 13 weeks ended March 28, 2026, the Company recorded a charge of \$566,000 to write off the amount of prepaid rent, which is included in occupancy expenses in the accompanying consolidated condensed statements of operations. Were the Company to prevail on appeal, it is possible these amounts could be recovered.

Further discussion related to these matters is included in Note 8 of the consolidated condensed financial statements.

Investment in and Receivable From New Meadowlands Racetrack LLC ("NMR")

NMR has been actively pursuing a full casino license (including slots and table games such as blackjack and roulette) to supplement its existing horse racing and sports betting operations. In January 2026, the New Jersey Senate Government, Wagering, Tourism & Historic Preservation Committee proposed a constitutional amendment to allow the legislature to authorize casino gambling at both the Monmouth Park and Meadowlands Racetracks. Such an amendment requires a three-fifths vote in both legislative chambers followed by a voter referendum in a general election before becoming law. No vote on this amendment had been taken by the state legislature as of the date of this filing, which is beyond the August 3, 2026 deadline for submission of proposed amendments to the State of New Jersey Constitution to be voted upon at the November 2026 general election. As a result, the proposed amendment will not appear on the ballot, and no voter referendum on casino gaming at the Meadowlands will occur in 2026. The proposed amendment, or a similar amendment, may be placed on the ballot at a future general election, which could occur as early as November 2027 or in a subsequent general election; however, no assurance can be given as to whether or when the state legislature will approve such an amendment or a voter referendum will be held. If a referendum were ultimately held and the voting results were favorable, NMR could possibly open a temporary gaming facility within approximately one year following voter approval and a permanent facility within approximately two years thereafter, subject to the issuance of a license by the New Jersey Casino Control Commission and completion of any required development.

NMR may require significant additional capital in connection with any future development efforts, including funding for potential referendum-related activities. To the extent the Company does not participate in such funding, or if NMR raises capital from third parties, the Company's ownership interest may be diluted.

The Company evaluated its investment in NMR for impairment, including consideration that no voter referendum on casino gaming at the Meadowlands will occur in 2026, and concluded that its fair value exceeds the carrying value. Accordingly, the Company did not record any impairment during the 13 and 39 weeks ended June 27, 2026. If a referendum is ultimately held and the amendment is rejected by voters, or if the Company otherwise concludes that the approval of casino gaming at the Meadowlands is no longer reasonably possible, the value of the investment would be based solely on NMR's existing horse racing and sports betting operations, which may not support the current carrying value of the investment, and the Company would expect to record an impairment charge at that time, which could be material. The Company will continue to monitor legislative and other developments concerning gaming at the Meadowlands and will continue to evaluate the investment for impairment each reporting period. The Company does not rely on NMR to fund its operations, meet its liquidity needs or drive its near-term financial performance.

Further discussion related to these matters is included in Note 4 of the consolidated condensed financial statements.

Sequoia Lease Amendment

Subsequent to the end of the quarter, on July 15, 2026, the Company entered into an amendment to the lease for its *Sequoia* restaurant located in Washington, D.C., one of the Company's largest restaurants. The amendment provides for a two-year lease restructure period commencing April 1, 2026 and ending March 31, 2028 (the "Lease Restructure Term"), during which the Company will pay annual base rent of \$1,350,000, payable in monthly installments of \$112,500, in lieu of its obligations to pay base rent, percentage rent, its share of real estate taxes, and certain utility and miscellaneous billback charges otherwise required under the lease, together with percentage rent equal to 10% of gross sales in excess of an annual breakpoint of \$10,000,000. Upon expiration of the Lease Restructure Term, the contractual rent provisions of the existing lease will resume through the lease expiration date of November 30, 2034. The amendment also provides the landlord a termination right if the Company fails to achieve specified gross sales thresholds following the Lease Restructure Term, exercisable upon not less than six months' prior written notice.

Further discussion related to this matter is included in Note 6 of the consolidated condensed financial statements.

Results of Operations

The Company's operating loss of \$141,000 for the 13 weeks ended June 27, 2026 decreased 95.9% as compared to an operating loss of \$3,415,000 in the same period of the prior year (which includes a gain on the closure of *El Rio Grande* in the amount of \$178,000 and impairment charges of \$2,940,000 and \$1,760,000 related to *Sequoia's* ROU and long-lived assets, respectively). Excluding these items, operating results declined by \$1,248,000, from adjusted operating income of \$1,107,000 for the 13 weeks ended June 28, 2025 to an adjusted operating loss of \$141,000 for the 13 weeks ended June 27, 2026.

The Company's operating loss of \$704,000 for the 39 weeks ended June 27, 2026 (which includes a one-time, non-recurring prepaid rent write-off in the amount of \$566,000 related to the *Bryant Park Grill* and the *Bryant Park Café* as discussed above) decreased 69.9% as compared to an operating loss of \$2,342,000 in the same period of the prior year (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). Excluding these items, operating results declined by \$528,000, from adjusted operating income of \$390,000 for the 39 weeks ended June 28, 2025 to an adjusted operating loss of \$138,000 for the 39 weeks ended June 27, 2026.

In addition to financial measures prepared in accordance with generally accepted accounting principles ("GAAP"), the above discussion includes adjusted operating income (loss), a non-GAAP financial measure that excludes certain items management believes are not reflective of the Company's ongoing operating performance. Management presents this measure because it believes it provides investors with a more meaningful comparison of the Company's core operating results across periods by excluding items that are non-recurring, infrequent, or otherwise not indicative of the Company's underlying business trends. Adjusted operating income (loss) should not be considered as an alternative to operating income (loss) or any other measure of financial performance calculated in accordance with GAAP, and may not be comparable to similarly titled measures used by other companies. The table below reconciles GAAP operating income (loss) to adjusted operating income (loss) for each period presented.

	13 Weeks Ended		39 Weeks Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	(in thousands)		(in thousands)	
GAAP operating income (loss)	\$ (141)	\$ (3,415)	\$ (704)	\$ (2,342)
Prepaid rent write-off (a)	—	—	566	—
Gain on closure of El Rio Grande (b)	—	(178)	—	(173)
Gain on termination of Tampa Food Court lease (c)	—	—	—	(5,235)
Impairment losses on right-of-use and long-lived assets (d)	—	4,700	—	4,700
Goodwill impairment (e)	—	—	—	3,440
Adjusted operating income (loss)	<u>\$ (141)</u>	<u>\$ 1,107</u>	<u>\$ (138)</u>	<u>\$ 390</u>

(a) Represents a one-time, non-recurring charge to write off prepaid rent related to the Bryant Park Grill and the Bryant Park Café. See Note 8 — Commitments and Contingencies.

(b) Represents the gain recognized during the 13 weeks ended June 28, 2025 as a result of refinements of estimates related to final lease negotiations with the El Rio Grande landlord, partially offset by operating losses prior to closure incurred during the 39-week period.

(c) Represents the gain recognized in connection with the early termination of the Company's lease for the Tampa Food Court at The Hard Rock Hotel and Casino.

(d) Represents losses recognized as a result of lower than expected operating results and related recoverability testing and discounted cash flow analysis.

(e) Represents a non-cash impairment charge to write off the remaining balance of goodwill during the 13 weeks ended March 29, 2025.

The following table summarizes the significant components of the Company's operating results for the 13 weeks ended June 27, 2026 and June 28, 2025:

	13 Weeks Ended		Variance		39 Weeks Ended		Variance	
	June 27, 2026	June 28, 2025			June 27, 2026	June 28, 2025		
			\$	%			\$	%
	(in thousands)				(in thousands)			
REVENUES:								
Food and beverage sales	\$ 40,309	\$ 42,937	\$ (2,628)	-6.1 %	\$ 116,703	\$ 126,503	\$ (9,800)	-7.7 %
Other revenue	572	778	(206)	-26.5 %	1,511	1,925	(414)	-21.5 %
Total revenues	40,881	43,715	(2,834)	-6.5 %	118,214	128,428	(10,214)	-8.0 %
COSTS AND EXPENSES:								
Food and beverage cost of sales	11,257	12,060	(803)	-6.7 %	32,318	35,650	(3,332)	-9.3 %
Payroll expenses	15,314	15,280	34	0.2 %	43,169	46,103	(2,934)	-6.4 %
Occupancy expenses	5,131	5,444	(313)	-5.7 %	16,980	17,128	(148)	-0.9 %
Other operating costs and expenses	5,940	6,038	(98)	-1.6 %	16,334	17,422	(1,088)	-6.2 %
General and administrative expenses	2,779	2,822	(43)	-1.5 %	8,323	9,292	(969)	-10.4 %
Depreciation and amortization	601	964	(363)	-37.7 %	1,794	2,443	(649)	-26.6 %
Gain on closure of El Rio Grande	—	(178)	178	N/A	—	(173)	173	N/A
Gain on termination 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	(4,700)	N/A	—	4,700	(4,700)	N/A
Goodwill impairment	—	—	—	N/A	—	3,440	(3,440)	N/A
Total costs and expenses	41,022	47,130	(6,108)	-13.0 %	118,918	130,770	(11,852)	-9.1 %
OPERATING LOSS	\$ (141)	\$ (3,415)	\$ 3,274	95.9 %	\$ (704)	\$ (2,342)	\$ 1,638	69.9 %

Revenues

During the 13- and 39-week periods ended June 27, 2026, revenues decreased 6.5% and 8.0%, respectively, as compared to revenues for the 13- and 39-week periods ended June 28, 2025. We attribute these decreases primarily to the decreases in same-store sales discussed below and, in the 39-week periods, 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 6.6% during the 13 weeks ended June 27, 2026 as compared to the same period of last year as follows:

	13 Weeks Ended		Variance	
	June 27, 2026	June 28, 2025	\$	%
	(in thousands)			
Las Vegas	\$ 11,711	\$ 13,225	\$ (1,514)	-11.4 %
New York	8,063	8,273	(210)	-2.5 %
Washington, D.C.	2,630	2,515	115	4.6 %
Atlantic City, NJ	606	595	11	1.8 %
Alabama	5,415	5,333	82	1.5 %
Florida	11,494	12,801	(1,307)	-10.2 %
Same-store sales	39,919	42,742	<u><u>\$ (2,823)</u></u>	-6.6 %
Other	390	195		
Food and beverage sales	\$ 40,309	\$ 42,937		

Same-store sales in Las Vegas decreased 11.4%, which we attribute primarily to lower revenues at our *America* property as a result of partial closure for renovations. Same-store sales in New York decreased 2.5%, which we attribute primarily to decreases

in our a la carte revenue at the *Bryant Park Grill* and the *Bryant Park Café* as a result of the negative publicity related to our dispute with the landlord. Same-store sales in Washington, D.C. increased 4.6%, which we attribute primarily to our event business. Same-store sales in Atlantic City, NJ increased 1.8%, which we attribute primarily to better than expected customer traffic at the property where we are located. Same-store sales in Alabama increased 1.5%, which we attribute primarily to better-than-expected customer traffic. Same-store sales in Florida decreased 10.2%, which we attribute primarily to lower headcounts from increased competition.

On a Company-wide basis, same-store sales decreased 7.2% during the 39 weeks ended June 27, 2026 as compared to the same period of last year as follows:

	39 Weeks Ended		Variance	
	June 27, 2026	June 28, 2025	\$	%
	(in thousands)			
Las Vegas	\$ 38,119	\$ 41,479	\$ (3,360)	-8.1 %
New York	21,124	23,474	(2,350)	-10.0 %
Washington, D.C.	5,865	5,907	(42)	-0.7 %
Atlantic City, NJ	1,680	1,825	(145)	-7.9 %
Alabama	12,086	12,076	10	0.1 %
Florida	36,144	39,141	(2,997)	-7.7 %
Same-store sales	115,018	123,902	<u>\$ (8,884)</u>	-7.2 %
Other	1,685	2,601		
Food and beverage sales	<u>\$ 116,703</u>	<u>\$ 126,503</u>		

Same-store sales in Las Vegas decreased 8.1%, which we attribute primarily to lower revenues at our *America* property as a result of partial closure for renovations and lower visitor counts in Las Vegas. Same-store sales in New York decreased 10.0%, which we attribute primarily to decreases in both catering and a la carte revenue at the *Bryant Park Grill* and the *Bryant Park Café* as a result of the negative publicity related to our dispute with the landlord. Same-store sales in Washington, D.C. decreased 0.7%, which we attribute primarily to lower headcounts as a result of decreased customer traffic at the complex where we are located partially offset by a strong event business in the current quarter. Same-store sales in Atlantic City, NJ decreased 7.9%, which we attribute primarily to lower than expected customer traffic in the first two quarters at the property where we are located. Same-store sales in Alabama were essentially flat, with first quarter weakness offset by better-than-expected traffic in the second and third quarters. Same-store sales in Florida decreased 7.7%, which we attribute primarily to lower headcounts from increased competition. Other food and beverage sales consist of sales related primarily to properties that were closed.

Costs and Expenses

Costs and expenses for the 13 and 39 weeks ended June 27, 2026 and June 28, 2025 were as follows (in thousands):

	13 Weeks Ended June 27, 2026		13 Weeks Ended June 28, 2025		Increase (Decrease)		39 Weeks Ended June 27, 2026		39 Weeks Ended June 28, 2025		Increase (Decrease)	
		% to Total Revenues		% to Total Revenues	\$	%		% to Total Revenues		% to Total Revenues	\$	%
Food and beverage cost of sales	\$ 11,257	27.5 %	\$ 12,060	27.6 %	\$ (803)	-6.7 %	\$ 32,318	27.3 %	\$ 35,650	27.8 %	\$ (3,332)	-9.3 %
Payroll expenses	15,314	37.5 %	15,280	35.0 %	34	0.2 %	43,169	36.5 %	46,103	35.9 %	(2,934)	-6.4 %
Occupancy expenses	5,131	12.6 %	5,444	12.5 %	(313)	-5.7 %	16,980	14.4 %	17,128	13.3 %	(148)	-0.9 %
Other operating costs and expenses	5,940	14.5 %	6,038	13.8 %	(98)	-1.6 %	16,334	13.8 %	17,422	13.6 %	(1,088)	-6.2 %
General and administrative expenses	2,779	6.8 %	2,822	6.5 %	(43)	-1.5 %	8,323	7.0 %	9,292	7.2 %	(969)	-10.4 %
Depreciation and amortization	601	1.5 %	964	2.2 %	(363)	-37.7 %	1,794	1.5 %	2,443	1.9 %	(649)	-26.6 %
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 %	(4,700)	N/A	—	— %	4,700	3.7 %	(4,700)	N/A
Goodwill impairment	—	— %	—	— %	—	N/A	—	— %	3,440	2.7 %	(3,440)	N/A
Total costs and expenses	<u>\$ 41,022</u>		<u>\$ 47,130</u>		<u>\$ (6,108)</u>		<u>\$ 118,918</u>		<u>\$ 130,770</u>		<u>\$ (11,852)</u>	

Food and beverage costs as a percentage of total revenues for the 13 and 39 weeks ended June 27, 2026 decreased as compared with the same period of last year as a result of targeted menu engineering.

Payroll expenses as a percentage of total revenues for the 13 weeks ended June 27, 2026 increased as compared with the same period of last year as a result of lower revenues. Payroll expenses as a percentage of total revenues for the 39 weeks ended June 27, 2026 increased as compared with the same period of last year as a result of lower revenues, partially offset by better shift management of overtime hours and lower performance bonuses in the current year.

Occupancy expenses as a percentage of total revenues for the 13 weeks ended June 27, 2026 were consistent with the same period of last year. Occupancy expenses as a percentage of total revenues for the 39 weeks ended June 27, 2026 increased as compared with the same period of last year primarily as a result of one-time, non-recurring prepaid rent write-off in the amount of \$566,000 related to the *Bryant Park Grill* and the *Bryant Park Café* as discussed above 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 27, 2026 increased as compared to the same period of last year primarily as a result of higher costs attributable to inflation partially offset by implementing a credit card surcharge.

General and administrative expenses (which relate solely to the corporate office in New York City and are relatively fixed) for the 13 and 39 weeks ended June 27, 2026 decreased as compared to the same periods of last year primarily as a result of lower commissions and bonus accruals and lower consulting fees related to the *Bryant Park Grill* and the *Bryant Park Café* litigation.

Depreciation and amortization expense for the 13 and 39 weeks ended June 27, 2026 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 the *Tampa Food Court*.

Gain 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. 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.

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 28, 2025, 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 \$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. No impairment charges related to ROU and long-lived assets were recognized during the 13 and 39 weeks ended June 27, 2026. See Note 1 for a discussion of the Company's triggering-event assessment as of June 27, 2026 and of the amendment to the *Sequoia* lease entered into subsequent to the end of the quarter. 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.

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 13 weeks ended March 29, 2025, the Company identified a triggering event in accordance with the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") Topic 350, "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*, the *Bryant Park Café* 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 13 and 26 weeks ended March 29, 2025. The Company did not record any impairment to its goodwill during the 13 and 39 weeks ended June 27, 2026.

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 have utilized 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 27, 2026, we had cash and cash equivalents of \$9,492,000, total debt of \$7,117,000 (excluding a \$324,000 stand-by letter of credit in favor of the landlord for our corporate headquarters) and a working capital deficit of \$4,411,000 as compared with a working capital deficit of \$5,377,000 at September 27, 2025. The Credit Agreement provides for maximum permitted obligations of \$20,000,000, inclusive of all outstanding promissory notes. As of June 27, 2026, total obligations outstanding under the Credit Agreement were \$7,441,000, comprised of \$5,000,000 in revolving borrowings, a \$2,117,000 outstanding note and a \$324,000 stand-by letter of credit. Accordingly, as of June 27, 2026, we had approximately \$12,559,000 of additional borrowing capacity available under the Credit Agreement, subject to continued compliance with the financial covenants thereunder.

We expect additional capital expenditures for fiscal 2026 to be approximately \$1,000,000, primarily related to required leasehold improvements, maintenance capital expenditures at existing locations, and completion of renovation commitments in Las Vegas. We anticipate funding these expenditures through a combination of cash on hand, including the recent borrowings under our revolving credit facility.

Our anticipated cash requirements over the next twelve months include, among other things, operating expenses, debt service obligations, lease payments, and planned capital expenditures. We expect these obligations to be funded through cash generated from operations, existing cash balances, and available borrowings under our credit facility.

Other than the matters described above, including the status of the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* and the amendment to the *Sequoia* lease, we are not aware of any other trends or events that would materially affect our capital requirements or liquidity. Based on our current operating plan and financial projections, we believe that our existing cash balances, internal cash-generating capabilities and availability under our revolving credit facility are sufficient to finance our capital expenditures, debt maturities and other operating activities for at least the next twelve months, including under scenarios in which we are required to cease operations at the Bryant Park locations upon the expiration of the stay; however, in such scenarios we may rely more heavily on borrowings under our revolving credit facility, and our liquidity could be adversely affected by, among other factors, the timing and outcome of the appeal, compliance with the financial covenants under our Credit Agreement, and general economic conditions impacting our operating results.

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 which 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 27, 2026 and June 28, 2025

Net cash used in operating activities for the 39 weeks ended June 27, 2026 was \$872,000 as compared to net cash provided by operating activities of \$1,119,000 in the same period as last year. This decrease resulted primarily from a decrease in adjusted operating income and an increase in accounts receivable balances, reflecting the timing of collections from hotel operators and credit card processors at period end.

Net cash used in investing activities for the 39 weeks ended June 27, 2026 was \$4,046,000 as compared to net cash provided by investing activities of \$4,662,000 in the same period as last year. This decrease resulted primarily from the payment received in connection with the termination of our *Tampa Food Court* lease in the prior period as well as higher capital expenditures in connection with the renovation of our *America* property in Las Vegas.

Net cash provided by financing activities for the 39 weeks ended June 27, 2026 was \$3,086,000 as compared to net cash used in financing activities of \$3,729,000 in the same period as last year. This increase resulted primarily from a \$5,000,000 borrowing under our revolving facility and the lower distribution payments to non-controlling interests in the current period.

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, which was subsequently amended to \$25,000,000 on March 28, 2026, 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 27, 2026, borrowings of \$5,000,000 were outstanding under our revolving facility under our Credit Agreement. As of June 27, 2026, the weighted average interest on the outstanding BHBM indebtedness was approximately 7.3%.

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. The Company was in compliance with all of its financial covenants under the Credit Agreement as of June 27, 2026.

Cash Flow Outlook

As discussed above and in Note 8 to the consolidated condensed financial statements, the Company is currently operating the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* pursuant to a court-ordered stay of an order of ejectment, which is currently expected to expire on or about October 16, 2026, a date that falls within the first quarter of our fiscal year 2027. These locations collectively accounted for \$17.1 million, or approximately 14.5%, of our total revenues for the 39 weeks ended June 27, 2026. Unless the Court's decisions are reversed on appeal or the stay is extended or further relief is obtained, the Company will be required to vacate these premises and cease operations at these locations upon the expiration of the stay, and the resulting loss of revenues and associated operating cash flows, beginning in the first quarter of fiscal 2027, would materially and adversely affect our results of operations, cash flows and liquidity. In that event, the Company would also expect to incur costs in

connection with vacating the premises and could experience reduced customer advance deposits on future catered events, and the loss of these operations could adversely affect our ability to remain in compliance with the financial covenants under our Credit Agreement, including the minimum tangible net worth and fixed charge coverage ratio requirements, in future periods. The long-lived assets and right-of-use assets at these locations were fully depreciated and amortized upon the expiration of the related agreements in fiscal 2025, and accordingly the Company does not expect to record an impairment or write-off of such assets in connection with vacating the premises. In the interim, the Company is required to continue to make the monthly use and occupancy payments previously ordered by the Court as a condition of the stay. In addition, as discussed above, the amendment to the *Sequoia* lease is expected to reduce the Company's cash rent obligations at that location during the Lease Restructure Term.

Other than the matters described above, including the status of the *Bryant Park Grill*, the *Bryant Park Café* and *The Porch at Bryant Park* and the amendment to the *Sequoia* lease, we are not aware of any other trends or events that would materially affect our capital requirements or liquidity. Based on our current operating plan and financial projections, we believe that our existing cash balances, internal cash-generating capabilities and availability under our revolving credit facility are sufficient to finance our capital expenditures, debt maturities and other operating activities for at least the next twelve months, including under scenarios in which we are required to cease operations at the Bryant Park locations upon the expiration of the stay; however, in such scenarios we may rely more heavily on borrowings under our revolving credit facility, and our liquidity could be adversely affected by, among other factors, the timing and outcome of the appeal, compliance with the financial covenants under our Credit Agreement, and general economic conditions impacting our operating results.

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 27, 2025.

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 27, 2026 to ensure that all 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 2026 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 fiscal 2026, 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

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 11, 2026

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)

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 11, 2026

/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 11, 2026

/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 27, 2026 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 11th day of August 2026

/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.