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 December 28, 2024
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	13-3156768
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

85 Fifth Avenue,	New York,	NY	10003
(Address of Principal Executive Offices)			(Zip Code)

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

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

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

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

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

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

Large accelerated filer	☐	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.
Yes ☐ No ☐

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

As of February 5, 2025, there were 3,604,157 shares of the registrant's common stock outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

- the adverse impact of the current political climate and current and future economic conditions, including inflation, on our: (i) operating results, cash flows and financial condition, (ii) ability to comply with the terms and covenants of our debt agreements, (iii) ability to pay or refinance our existing debt or to obtain additional financing, and (iv) projected cash flows used in assessing assets for impairment;
- increases in food, beverage and supply costs, especially for seafood, shellfish, chicken and beef;
- increases in wages and benefit costs, including the cost of group medical and workers' compensation insurance;
- our ability to open new restaurants in new and existing markets, including difficulty in finding sites and in negotiating acceptable leases;
- vulnerability to changes in consumer preferences and economic conditions;
- vulnerability to conditions in the cities in which we operate;
- vulnerability to adverse weather conditions and natural disasters given the geographic concentration and real estate intensive nature of our business and obtaining related property and liability insurance at acceptable premiums;
- our ability to extend existing leases on favorable terms, if at all , including our *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* leases which both expire on April 30, 2025;
- 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)

	December 28, 2024 (unaudited)	September 28, 2024 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 13,101	$ 10,273
Accounts receivable	4,267	3,516
Employee receivables	229	255
Inventories	2,166	2,289
Prepaid and refundable income taxes	209	294
Prepaid expenses and other current assets	1,210	1,598
Total current assets	21,182	18,225
FIXED ASSETS - Net	31,276	31,569
OPERATING LEASE RIGHT-OF-USE ASSETS - Net	81,302	84,977
GOODWILL	3,440	3,440
TRADEMARKS	4,220	4,220
INTANGIBLE ASSETS - Net	77	98
DEFERRED INCOME TAXES	4,411	4,799
INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACK	6,562	6,550
OTHER ASSETS	2,170	2,163
TOTAL ASSETS	$ 154,640	$ 156,041
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable - trade	$ 4,755	$ 4,547
Accrued expenses and other current liabilities	9,570	12,045
Current portion of operating lease liabilities	6,419	7,099
Notes payable	4,702	5,193
Total current liabilities	25,446	28,884
OPERATING LEASE LIABILITIES, LESS CURRENT PORTION	80,653	83,516
TOTAL LIABILITIES	106,099	112,400
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Common stock, par value $0.01 per share - authorized, 10,000 shares; issued and outstanding, 3,604 shares at December 28, 2024 and September 28, 2024	36	36
Additional paid-in capital	13,976	13,934
Retained earnings	33,331	30,167
Total Ark Restaurants Corp. shareholders' equity	47,343	44,137
NON-CONTROLLING INTERESTS	1,198	(496)
TOTAL EQUITY	48,541	43,641
TOTAL LIABILITIES AND EQUITY	$ 154,640	$ 156,041

See notes to consolidated condensed financial statements.

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

	13 Weeks Ended	
	December 28, 2024	December 30, 2023
REVENUES:		
Food and beverage sales	$ 44,442	$ 46,630
Other revenue	546	857
Total revenues	44,988	47,487
COSTS AND EXPENSES:		
Food and beverage cost of sales	12,107	12,071
Payroll expenses	16,408	16,977
Occupancy expenses	6,148	6,332
Other operating costs and expenses	5,800	6,092
General and administrative expenses	3,148	3,320
Depreciation and amortization	777	1,092
Loss on closure of El Rio Grande	146	—
Gain on termination of Tampa Food Court lease	(5,235)	—
Total costs and expenses	39,299	45,884
OPERATING INCOME	5,689	1,603
OTHER (INCOME) EXPENSE:		
Interest expense	122	171
Interest income	(11)	(11)
Other income	—	(26)
Gain on forgiveness of PPP Loans	—	(285)
Total other (income) expense, net	111	(151)
INCOME BEFORE PROVISION FOR INCOME TAXES	5,578	1,754
Provision for income taxes	503	158
CONSOLIDATED NET INCOME	5,075	1,596
Net income attributable to non-controlling interests	(1,911)	(226)
NET INCOME ATTRIBUTABLE TO ARK RESTAURANTS CORP.	$ 3,164	$ 1,370
NET INCOME ATTRIBUTABLE TO ARK RESTAURANTS CORP. PER COMMON SHARE:		
Basic	$ 0.88	$ 0.38
Diluted	$ 0.88	$ 0.38
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:		
Basic	3,604	3,604
Diluted	3,611	3,631

See notes to consolidated condensed financial statements.

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

For the 13 weeks ended December 28, 2024

	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	—	—	—	3,164	3,164	1,911	5,075
Stock-based compensation activity	—	—	42	—	42	—	42
Distributions to non-controlling interests	—	—	—	—	—	(217)	(217)
BALANCE - December 28, 2024	3,604	$ 36	$ 13,976	$ 33,331	$ 47,343	$ 1,198	$ 48,541

For the 13 weeks ended December 30, 2023

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Ark Restaurants Corp. Shareholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount					
BALANCE - September 30, 2023	3,604	$ 36	$ 14,161	$ 36,091	$ 50,288	$ 1,434	$ 51,722
Net income	—	—	—	1,370	1,370	226	1,596
Elimination of non-controlling interest upon dissolution of subsidiary	—	—	692	—	692	(692)	—
Stock-based compensation activity	—	—	77	—	77	—	77
Distributions to non-controlling interests	—	—	—	—	—	(441)	(441)
Dividends paid - $0.1875 per share	—	—	—	(676)	(676)	—	(676)
BALANCE - December 30, 2023	3,604	$ 36	$ 14,930	$ 36,785	$ 51,751	$ 527	$ 52,278

See notes to consolidated condensed financial statements.

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

	13 Weeks Ended	
	December 28, 2024	December 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income	$ 5,075	$ 1,596
Adjustments to reconcile consolidated net income to net cash provided by (used in) operating activities:		
Stock-based compensation activity	42	77
Deferred income taxes	388	28
Accrued interest on note receivable from NMR	(12)	(11)
Loss on closure of El Rio Grande	146	—
Gain on termination of Tampa Food Court lease	(5,235)	—
Depreciation and amortization	777	1,092
Amortization of operating lease assets	114	96
Amortization of deferred financing costs	13	13
Changes in operating assets and liabilities:		
Accounts receivable	(751)	(1,319)
Inventories	102	121
Prepaid, refundable and accrued income taxes	85	106
Prepaid expenses and other current assets	388	307
Other assets	(7)	—
Accounts payable - trade	208	515
Accrued expenses and other current liabilities	(2,679)	(2,063)
Net cash provided by (used in) operating activities	(1,346)	558
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(631)	(276)
Loans and advances made to employees	(7)	(10)
Payments received on employee receivables	33	32
Payment received in connection with termination of Tampa Food Court lease	5,500	—
Net cash provided by (used in) investing activities	4,895	(254)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(504)	(480)
Dividends paid	—	(676)
Distributions to non-controlling interests	(217)	(441)
Net cash used in financing activities	(721)	(1,597)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,828	(1,293)
CASH AND CASH EQUIVALENTS, Beginning of period	10,273	13,415
CASH AND CASH EQUIVALENTS, End of period	$ 13,101	$ 12,122
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 109	$ 158
Income taxes	$ 30	$ 25
Non-cash financing activities:		
Elimination of non-controlling interest upon dissolution of subsidiary	$ —	$ 692

See notes to consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
December 28, 2024
(Unaudited)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

INFLATION — Beginning in 2021, our operating results were impacted by geopolitical and other macroeconomic events, causing supply chain challenges and significantly increased commodity and wage inflation. While we have seen improvements in many of these areas, some of these factors continued to impact our operating results in fiscal 2025. The ongoing impact of these events could lead to further shifts in consumer behavior, wage inflation, staffing challenges, product and services cost inflation, disruptions in our supply chain and delays in opening and acquiring new restaurants. If these factors significantly impact our cash flow in the future, we may again implement mitigation actions such as suspension of dividends, increasing borrowings or modifying our operating strategies. Some of these measures may have an adverse impact on our business, including possible impairments of assets.

PRINCIPLES OF CONSOLIDATION — The consolidated condensed financial statements include the accounts of Ark Restaurants Corp. and all of its wholly-owned subsidiaries, partnerships and other entities in which it has a controlling interest, collectively herein referred to as the "Company". Also included in the consolidated condensed financial statements are certain variable interest entities ("VIEs"). All significant intercompany balances and transactions have been eliminated in consolidation.

USE OF ESTIMATES — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are used for, but are not limited to: (i) projected cash flows related to asset impairments, including goodwill and intangibles, (ii) income tax valuation allowances for deferred tax assets, (iii) allowances for potential credit losses on receivables, (iv) assumptions regarding discount rates related to lease accounting, (v) the useful lives and recoverability of our long-lived assets, such as fixed assets and intangibles, (vi) fair values of financial instruments, (vii) share-based compensation, (viii) estimates made in connection with acquisition purchase price allocations, (ix) uncertain tax positions, and (x) determining when investment impairments are other-than-temporary. The Company's accounting estimates require the use of judgment as future events and the effect of these events cannot be predicted with certainty. The accounting estimates may change as new events occur, as more experience is acquired and as more information is obtained. The Company evaluates and updates assumptions and estimates on an ongoing basis and may use outside experts to assist in the Company's evaluation, as considered necessary. Because of the uncertainty in such estimates, actual results may differ from these estimates. The results of operations for the 13 weeks ended December 28, 2024 are not necessarily indicative of the results to be expected for any other interim period or for the year ending September 27, 2025.

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

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

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

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

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

As of December 28, 2024 and September 28, 2024, the Company had accounts receivable balances due from one hotel operator totaling 47% and 52% of total accounts receivable, respectively.

For the 13-week periods ended December 28, 2024 and December 30, 2023, the Company made purchases from one vendor that accounted for 11% and 10% of total purchases, respectively.

As of December 28, 2024 all debt outstanding is with one lender (see Note 7 – Notes Payable).

GOODWILL AND TRADEMARKS — Goodwill and trademarks are not amortized, but are subject to impairment analysis. We assess the potential impairment of goodwill and trademarks annually (at the end of our fourth quarter) and on an interim basis whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If we determine through the impairment review process that goodwill or trademarks are impaired, we record an impairment charge in our consolidated condensed statements of income. The Company did not record any impairment to its goodwill or trademarks during the 13 weeks ended December 28, 2024 and December 30, 2023, respectively. It is possible that impairments could be identified in future periods, and such amounts could be material.

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.

Based on the results of this evaluation, no impairment charges were recognized related to long-lived assets or ROU assets during the 13 weeks ended December 28, 2024 and December 30, 2023. Given the inherent uncertainty in projecting results of restaurants under the current circumstances, the Company is monitoring the recoverability of the carrying value of the assets of several restaurants on an ongoing basis. For these restaurants, if expected performance is not realized, an impairment charge may be recognized in future periods, and such charge could be material.

REVENUE RECOGNITION — We recognize revenue upon the satisfaction of our performance obligation by transferring control over a product or service to a restaurant guest or other customer. Revenues from restaurant operations are presented net of discounts, coupons, employee meals and complimentary meals and recognized when food, beverage and retail products are sold. Sales tax collected from customers is excluded from sales and the obligation is included in sales tax payable until the taxes are remitted to the appropriate taxing authorities. Catering service revenue is generated through contracts with customers whereby the customer agrees to pay a contract rate for the service. Revenues from catered events are recognized in income upon satisfaction of the performance obligation (the date the event is held) and all customer payments, including nonrefundable upfront deposits, are deferred as a contract liability until such time. We recognized $5,906,000 and $6,614,000 in catering services revenue for the 13-week periods ended December 28, 2024 and December 30, 2023, respectively. Unearned revenue, which is included in accrued expenses and other current liabilities on the consolidated condensed balance sheets, as of December 28, 2024 and September 28, 2024 was $2,034,000 and $4,382,000, respectively.

Revenues from gift cards are deferred and recognized upon redemption. Deferrals are not reduced for potential non-use as we generally have a legal obligation to remit the value of unredeemed gift cards to the relevant jurisdictions in which they are sold. As of December 28, 2024 and September 28, 2024, the total liability for gift cards in the amounts of approximately $523,000 and $401,000, respectively, are included in accrued expenses and other current liabilities in the consolidated condensed balance sheets.

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

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

SEGMENT REPORTING — As of December 28, 2024, the Company owned and operated 16 restaurants and bars, 12 fast food concepts and catering operations, exclusively in the United States, that have similar economic characteristics, nature of products and services, class of customers and distribution methods. The Company believes it meets the criteria for aggregating its operating components into a single operating segment in accordance with applicable accounting guidance.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS — In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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 2028, and subsequent interim periods, with early adoption permitted. The amendments should be applied prospectively, but retrospective application is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

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

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

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

No other new accounting pronouncements issued or effective as of December 28, 2024 have had or are expected to have a material impact on our consolidated financial statements.

2. RECENT RESTAURANT EXPANSION AND OTHER DEVELOPMENTS

On June 24, 2022, the Company extended its lease for *America* at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $4,000,000 to materially refresh the premises by December 31, 2025, subject to further extensions as set out in the agreement. To date approximately $150,000 has been spent on this refresh.

On July 21, 2022, the Company extended its lease for the *Village Eateries* at the New York-New York Hotel and Casino in Las Vegas, NV through December 31, 2034. As part of this extension, the *Broadway Burger Bar and Grill* and *Gonzalez y Gonzalez*, were carved out of the *Village Eateries* footprint and the extended date for those two locations is December 31, 2033. In connection with the extension, the Company has agreed to spend a minimum of $3,500,000 to materially refresh all three of these premises by December 31, 2025, as extended. As part of this refresh, on November 11, 2024, the Company opened a new concept called *Lucky Pig* in the *Village Eateries* at a cost of approximately $700,000. To date the Company has spent an additional $550,000 on refreshing *Broadway Burger Bar and Grill*, *Gonzalez y Gonzalez* and other areas of the *Village Eateries*.

Each of the above refresh obligations are to be consistent with designs approved by the landlord which shall not be unreasonably withheld. We will continue to pay all rent as required by the leases without abatement during construction. Note that our substantial completion of work set forth in plans approved by the landlord shall constitute our compliance with the requirements of the completion deadlines, regardless of whether or not the amount actually expended in connection therewith is less than the minimum. In connection with the above renovations, the Company made payments totaling $34,000 to the mother of Samuel Weinstein, the Co-Chief Operating Officer, for design services during the 13 weeks ended December 28, 2024.

3. RECENT RESTAURANT DISPOSITIONS AND OTHER DEVELOPMENTS

During the 13 weeks ended December 30, 2023, the Company dissolved the entity which owned *Lucky 7* at the Foxwoods Resort and Casino, which was closed in July of 2022. In connection with the dissolution, the Company reclassified the remaining non-controlling interest balance to additional paid-in capital.

In October 2024, the Company advised the landlord of *El Rio Grande* we would be terminating the lease and closing the property permanently. In connection with this notification, the Company recorded a loss of $876,000 during the year ended September 28, 2024 consisting of: (i) rent and other costs incurred in accordance with the termination provisions of the lease in the amount of $398,000, (ii) accrued severance and other costs in the amount of $94,000, (iii) an impairment charge related to long-lived assets in the amount of $269,000 and (iv) the write-off of our security deposit in the amount of $238,000, all partially offset by a gain related to the write-off of ROU assets and related lease liabilities in the net amount of $123,000. The property closed on January 3, 2025 and during the 13 weeks ended December 28, 2024, the Company incurred additional operating losses of $146,000.

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. It is expected that Ark Hollywood/Tampa Investment LLC will distribute approximately 35% of the net proceeds, after expenses, to the other equity holders of Ark Hollywood/Tampa Investment LLC during the second fiscal quarter of 2025.

4. INVESTMENT IN AND RECEIVABLE FROM NEW MEADOWLANDS RACETRACK

On March 12, 2013, the Company made a $4,200,000 investment in the New Meadowlands Racetrack LLC (“NMR”) through its purchase of a membership interest in Meadowlands Newmark, LLC, an existing member of NMR with a then 63.7% ownership interest. On November 19, 2013, the Company invested an additional $464,000 in NMR through the purchase of an additional membership interest in Meadowlands Newmark, LLC resulting in a total ownership of 11.6% of Meadowlands Newmark, LLC, and an effective ownership interest in NMR of 7.4%, subject to dilution. In 2015, the Company invested an additional $222,000 in NMR and in February 2017, the Company invested an additional $222,000 in NMR, both as a result of capital calls with no change in ownership, bringing its total investment to $5,108,000. 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 weeks ended December 28, 2024, the Company did not receive any distributions from NMR. During the 13 weeks ended December 30, 2023, the Company received distributions of $26,000 from NMR, which has been recorded as other income in the consolidated condensed statements of income.

The Company evaluated its investment in NMR for impairment and concluded that its fair value exceeds the carrying value. Accordingly, the Company did not record any impairment during the 13 weeks ended December 28, 2024 and December 30, 2023. Any future changes in the carrying value of our investment in NMR will be reflected in earnings.

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

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

The Company's maximum exposure to loss as a result of its involvement with AM VIE is limited to any receivable from AM VIE's primary beneficiary. As of December 28, 2024 and September 28, 2024, $33,000 and $16,000 were due to AM VIE by NMR, respectively.

On April 25, 2014, the Company loaned $1,500,000 to Meadowlands Newmark, LLC. The note bears interest at 3%, compounded monthly and added to the principal, and is due in its entirety on June 30, 2029. The note may be prepaid, in whole or in part, at any time without penalty or premium. The principal and accrued interest related to this note in the amounts of $1,454,000 and $1,442,000 are included in Investment in and Receivable from New Meadowlands Racetrack in the consolidated condensed balance sheets at December 28, 2024 and September 28, 2024, respectively.

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

	December 28, 2024	September 28, 2024
	(In thousands)	
Sales tax payable	$ 821	$ 761
Accrued wages and payroll related costs	3,568	4,548
Customer advance deposits	2,034	4,382
Accrued occupancy and other operating expenses	3,147	2,354
	$ 9,570	$ 12,045

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 December 28, 2024. Generally, our real estate leases have initial terms ranging from 10 to 25 years and typically include renewal options. Renewal options are recognized as part of the ROU assets and lease liabilities if it is reasonably certain at the date of adoption that we would exercise the options to extend the lease. Our real estate leases typically provide for fixed minimum rent payments and/or contingent rent payments based upon sales in excess of specified thresholds. When the achievement of such sales thresholds are deemed to be probable, variable lease expense is accrued in proportion to the sales recognized during the period. For operating leases that include rent holidays and rent escalation clauses, we recognize lease expense on a straight-line basis over the lease term from the date we take possession of the leased property. We record the straight-line lease expense and any contingent rent, if applicable, in occupancy expenses in the consolidated condensed statements of income.

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 income. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

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

	13 Weeks Ended	
	December 28, 2024	**December 30, 2023**
	(In thousands)	
Operating lease expense - occupancy expenses (1)	$ 3,382	$ 3,454
Occupancy lease expense - general and administrative expenses	121	122
Variable lease expense - occupancy expenses	1,252	1,377
Total lease expense	$ 4,755	$ 4,953

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

Supplemental cash flow information related to leases:

	13 Weeks Ended	
	December 28, 2024	**December 30, 2023**
	(In thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows related to operating leases	$ 4,757	$ 4,898

The weighted average remaining lease terms and discount rates as of December 28, 2024 are as follows:

	Weighted Average Remaining Lease Term	**Weighted Average Discount Rate**
Operating leases	11.5 years	6.3 %

The annual maturities of our lease liabilities as of December 28, 2024 are as follows:

Fiscal Year Ending	**Operating Leases** **(In thousands)**
September 27, 2025	$ 8,782
October 3, 2026	11,329
October 2, 2027	11,123
September 30, 2028	11,197
September 29, 2029	11,095
Thereafter	67,864
Total future lease commitments	121,390
Less: imputed interest	(34,318)
Present value of lease liabilities	$ 87,072

7. NOTES PAYABLE

Notes payable consist of the following:

	December 28, 2024	September 28, 2024
	(In thousands)	
Promissory Note - Rustic Inn purchase	$ 2,545	$ 2,617
Promissory Note - JB's on the Beach purchase	1,500	1,750
Promissory Note - Sequoia renovation	686	800
Promissory Note - Blue Moon Fish Company	—	68
	4,731	5,235
Less: Current maturities	(4,702)	(5,193)
Less: Unamortized deferred financing costs	(29)	(42)
Long-term portion	$ —	$ —

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"). This facility, which matures on June 1, 2025, replaced our revolving credit facility which was entered into in June 1, 2018 (the "Prior Credit Agreement"). Under the terms of the Credit Agreement: (i) a promissory note under the Prior Credit Agreement in the amount of $6,666,000 was repaid, (ii) BHBM established a new revolving credit facility in the amount of $10,000,000 with a commitment termination date of May 31, 2025, (iii) the Company may use the revolving commitments of BHBM to obtain letters of credit up to a sublimit thereunder of $1,000,000, and (iv) the LIBOR rate option for all borrowings was replaced with the secured overnight financing rate for U.S. Government Securities ("SOFR"). Advances 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 $10,000,000 revolving facility. As of December 28, 2024, no advances were outstanding under the Credit Agreement. As of December 28, 2024, the weighted average interest on the outstanding BHBM indebtedness was approximately 8.2%. The replacement of LIBOR with SOFR as a reference rate in our debt agreements did not have a material adverse effect on our financial position or materially affect our interest expense. The Company is currently working with its lender on a new credit agreement; however, there can be no assurances that this agreement will be completed.

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

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

On March 30, 2023, in connection with entering into the Credit Agreement, the Company amended each of the following promissory notes to replace the interest rate benchmark based on LIBOR and related LIBOR-based mechanics with an interest rate benchmark based on SOFR, with such amendments becoming effective upon the expiration of the then applicable interest period (the "Notes Amendment Effective Date") and with the following terms:

- *Promissory Note – Rustic Inn purchase* – The principal amount of $4,400,000, which is secured by a mortgage on the *Rustic Inn* real estate, is payable in 27 equal quarterly installments of $71,333, commencing on September 1, 2018, with a balloon payment of $2,474,000 on June 1, 2025, and commencing on the Notes Amendment Effective Date, bears interest at SOFR plus 3.65% per annum.

- *Promissory Note – JB's on the Beach purchase* – On May 15, 2019, the Company issued a promissory note under the Revolving Facility to BHBM for $7,000,000, which is payable in 23 equal quarterly installments of $250,000, commencing on September 1, 2019, with a balloon payment of $1,250,000 on June 1, 2025, and commencing on the Notes Amendment Effective Date, bears interest at SOFR plus 3.65% per annum.

- *Promissory Note – Sequoia renovation –* Also on May 15, 2019, the Company converted $3,200,000 of Revolving Facility borrowings incurred in connection with the *Sequoia* renovation to a promissory note which is payable in 23 equal quarterly installments of $114,286, commencing on September 1, 2019, with a balloon payment of $571,429 on June 1, 2025, and commencing on the Notes Amendment Effective Date, bears interest at SOFR plus 3.65% per annum.

Promissory Note - Blue Moon Fish Company

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

Deferred Financing Costs

Deferred financing costs incurred in the amount of $304,000 are being amortized over the life of the agreements using the effective interest rate method and included in interest expense. Amortization expense of approximately $13,000 and $13,000 is included in interest expense for the 13 weeks ended December 28, 2024 and December 30, 2023, 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 two of our leases, the Company obtained and delivered irrevocable letters of credit totaling approximately $542,000 as security deposits under such leases.

The Company's agreements with the Bryant Park Corporation (the "Landlord"), (a private non-profit entity that manages Bryant Park under agreements with the New York City Department of Parks & Recreation) for the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* expire on April 30, 2025. During July 2023 (for the *Bryant Park Grill & Cafe*) and September 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 are for new 10-year agreements, with one five-year renewal option. On January 27, 2025, at a public local community board meeting, the Landlord stated that it had selected a new operator for both locations, although, to the best of our knowledge, no agreements have been signed as of the date of this filing. Any such agreements must be approved by both the New York City Department of Parks & Recreation and the New York Public Library. Management continues to work with its outside advisors who have been assisting with our efforts to obtain the extensions by ensuring the RFP awards process was both fair and transparent. We intend to pursue all available options to protect the Company's interests.

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 13-week period ended December 30, 2023, 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:

	2024			
	Shares	**Weighted Average Exercise Price**	**Weighted Average Contractual Term**	**Aggregate Intrinsic Value**
Outstanding, beginning of period	415,750	$17.89	6.4 years	
Options:				
Granted	10,000	$9.99		
Exercised	—			
Canceled or expired	—			
Outstanding and expected to vest, end of period	425,750	$17.47	6.2 years	$ 82,000
Exercisable, end of period	317,000	$18.75	5.2 years	$ 67,000
Shares available for future grant	360,000			

Compensation cost charged to operations for the 13 weeks ended December 28, 2024 and December 30, 2023 for share-based compensation programs was approximately $42,000 and $77,000, respectively. The compensation cost recognized is classified as a general and administrative expense in the consolidated condensed statements of income.

As of December 28, 2024, there was approximately $450,000 of unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a period of 3.8 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-week period ended December 28, 2024 was $503,000 and the effective tax rate was 9.0%. The effective tax rate differed from the federal statutory rate of 21% primarily as a result of the recognition of certain tax benefits related to the expected generation of FICA tax credits in the current year, operating income attributable to non-controlling interests that is not taxable to the Company, and state and local taxes.

The provision for income taxes for the 13-week period ended December 30, 2023 was $158,000 and the effective tax rate was 9.0%. The effective tax rate differed from the federal statutory rate of 21% primarily as a result of the recognition of certain tax benefits related to the expected generation of FICA tax credits in the current year, operating income attributable to non-controlling interests that is not taxable to the Company, and the discrete tax benefit attributable to income related to the PPP Loan forgiveness which is not taxable for income tax reporting purposes.

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

11. INCOME PER SHARE OF COMMON STOCK

Basic earnings per share is computed by dividing net income 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	
	December 28, 2024	**December 30, 2023**
Basic	3,604	3,604
Effect of dilutive securities:		
Stock options	7	27
Diluted	3,611	3,631

For the 13-week period ended December 28, 2024, the dilutive effect of 335,500 options was not included in diluted earnings per share as their impact would be anti-dilutive.

For the 13-week period ended December 30, 2023, the dilutive effect of 381,250 options was not included in diluted earnings per share as their impact would have been anti-dilutive.

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

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

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

Inflation and Other Matters

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

The Company's agreements with the Bryant Park Corporation (the "Landlord"), (a private non-profit entity that manages Bryant Park under agreements with the New York City Department of Parks & Recreation) for the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* expire on April 30, 2025. During July 2023 (for the *Bryant Park Grill & Cafe*) and September 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 are for new 10-year agreements, with one five-year renewal option. On January 27, 2025, at a public local community board meeting, the Landlord stated that it had selected a new operator for both locations, although no agreements have been signed. Any such agreements must be approved by both the New York City Department of Parks & Recreation and the New York Public Library. Management continues to work with its outside advisors who have been assisting with our efforts to obtain the extensions by ensuring the RFP awards process was both fair and transparent. We intend to pursue all available options to protect the Company's interests.

Overview

As of December 28, 2024, the Company owned and operated 16 restaurants and bars, 12 fast food concepts and catering operations, exclusively in the United States, that have similar economic characteristics, nature of products and service, class of customer and distribution methods. The Company believes it meets the criteria for aggregating its operating components into a single operating segment in accordance with applicable accounting guidance.

Accounting Period

Our fiscal year ends on the Saturday nearest September 30. We report fiscal years under a 52/53-week format. This reporting method is used by many companies in the hospitality industry and is meant to improve year-to-year comparisons of operating results. Under this method certain years will contain 53 weeks. The periods ended December 28, 2024 and December 30, 2023 each included 13 weeks.

Seasonality

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

Results of Operations

The Company's operating income for the 13 weeks ended December 28, 2024 (which includes a loss on the closure of *El Rio Grande* of $146,000 and a gain on the termination of our *Tampa Food Court* lease of $5,235,000) increased 254.9% as compared to the same period of the prior year. Excluding the *El Rio Grande* closure loss and the *Tampa Food Court* lease termination gain, operating income of $600,000 for the 13 weeks ended December 28, 2024 decreased 62.6% as compared to the same period of the prior year. We attribute this decrease primarily to a decrease in same store sales as discussed below combined with continued inflationary pressures in most areas as well as minimum wage increases.

The following table summarizes the significant components of the Company's operating results for the 13-week periods ended December 28, 2024 and December 30, 2023:

	13 Weeks Ended		Variance	
	December 28, 2024	December 30, 2023	$	%
	(in thousands)			
REVENUES:				
Food and beverage sales	$ 44,442	$ 46,630	$ (2,188)	-4.7 %
Other revenue	546	857	(311)	-36.3 %
Total revenues	44,988	47,487	(2,499)	-5.3 %
COSTS AND EXPENSES:				
Food and beverage cost of sales	12,107	12,071	36	0.3 %
Payroll expenses	16,408	16,977	(569)	-3.4 %
Occupancy expenses	6,148	6,332	(184)	-2.9 %
Other operating costs and expenses	5,800	6,092	(292)	-4.8 %
General and administrative expenses	3,148	3,320	(172)	-5.2 %
Depreciation and amortization	777	1,092	(315)	-28.8 %
Loss on closure of El Rio Grande	146	—	146	N/A
Gain on closure of Tampa Food Court	(5,235)	—	(5,235)	N/A
Total costs and expenses	39,299	45,884	(6,585)	-14.4 %
OPERATING INCOME	$ 5,689	$ 1,603	$ 4,086	254.9 %

Revenues

During the 13-week period ended December 28, 2024, revenues decreased 5.3% as compared to revenues for the 13-week period ended December 30, 2023. We attribute this decrease primarily to the decreases in same-store sales discussed below and the closures of *El Rio Grande* and the *Tampa Food Court*.

Food and Beverage Same-Store Sales

On a Company-wide basis, same-store sales decreased 2.3% during the 13 weeks ended December 28, 2024 as compared to the same period of last year as follows:

	13 Weeks Ended		Variance	
	December 28, 2024	December 30, 2023	$	%
	(in thousands)			
Las Vegas	$ 14,279	$ 14,844	$ (565)	-3.8 %
New York	11,161	11,339	(178)	-1.6 %
Washington, D.C.	2,015	2,463	(448)	-18.2 %
Atlantic City, NJ	553	555	(2)	-0.4 %
Alabama	3,290	3,077	213	6.9 %
Florida	10,828	10,844	(16)	-0.1 %
Same-store sales	42,126	43,122	$ (996)	-2.3 %
Other	2,316	3,508		
Food and beverage sales	$ 44,442	$ 46,630		

Same-store sales in Las Vegas decreased 3.8% which we attribute primarily to lower customer traffic at the New York-New York Hotel and Casino. Same-store sales in New York decreased 1.6% which we attribute primarily to a decrease in revenue from our event business. Same-store sales in Washington, D.C. decreased 18.2% which we attribute primarily to lower headcounts, especially during lunch and after-work hours, which we attribute to continued hybrid work schedules. Same-store sales in Alabama increased 6.9% which we attribute primarily to better-than-expected customer traffic combined with targeted menu price increases. Other food and beverage sales consist of sales related to properties that were closed and other fees.

Costs and Expenses

Costs and expenses for the 13 weeks ended December 28, 2024 and December 30, 2023 were as follows (in thousands):

	13 Weeks Ended December 28, 2024	% to Total Revenues	13 Weeks Ended December 30, 2023	% to Total Revenues	Increase (Decrease)	
					$	%
Food and beverage cost of sales	$ 12,107	26.9 %	$ 12,071	25.4 %	$ 36	0.3 %
Payroll expenses	16,408	36.5 %	16,977	35.8 %	(569)	-3.4 %
Occupancy expenses	6,148	13.7 %	6,332	13.3 %	(184)	-2.9 %
Other operating costs and expenses	5,800	12.9 %	6,092	12.8 %	(292)	-4.8 %
General and administrative expenses	3,148	7.0 %	3,320	7.0 %	(172)	-5.2 %
Depreciation and amortization	777	1.7 %	1,092	2.3 %	(315)	-28.8 %
Loss on closure of El Rio Grande	146	0.3 %	—	— %	146	N/A
Gain on closure of Tampa Food Court	(5,235)	(11.6)%	—	— %	(5,235)	N/A
Total costs and expenses	$ 39,299		$ 45,884		$ (6,585)	

Food and beverage costs as a percentage of total revenues for the 13 weeks ended December 28, 2024 as compared with the same period of last year increased as a result of increases in commodity prices, which had been easing for several quarters, combined with a slightly weaker event business in New York City in the first quarter of the current year compared to the prior year.

Payroll expenses as a percentage of total revenues for the 13 weeks ended December 28, 2024 increased as compared with the same period of last year primarily as a result of increasing minimum wages in the states where we operate.

Occupancy expenses as a percentage of total revenues for the 13 weeks ended December 28, 2024 increased as compared with the same period of last year primarily as a result of increases in base rents and increases in property and liability insurance premiums.

Other operating costs and expenses as a percentage of total revenues for the 13 weeks ended December 28, 2024 as compared to the same period of last year increased primarily as a result of inflation.

General and administrative expenses (which relate solely to the corporate office in New York City) for the 13 weeks ended December 28, 2024 decreased as compared to the same periods of last year primarily as a result of the lower bonus accruals partially offset by increased legal and consulting fees.

Depreciation and amortization expense for the 13 weeks ended December 28, 2024 decreased slightly as compared to the same period of last year primarily as a result of certain assets becoming fully depreciated and the removal of assets associated with *El Rio Grande* and the *Tampa Food Court*.

Loss on Closure of El Rio Grande

In October 2024, the Company advised the landlord of *El Rio Grande* we would be terminating the lease and closing the property permanently. In connection with this notification, the Company recorded a loss of $876,000 during the year ended September 28, 2024 consisting of: (i) rent and other costs incurred in accordance with the termination provisions of the lease in the amount of $398,000, (ii) accrued severance and other costs in the amount of $94,000, (iii) an impairment charge related to long-lived assets in the amount of $269,000 and (iv) the write-off of our security deposit in the amount of $238,000, all partially offset by a gain related to the write-off of ROU assets and related lease liabilities in the net amount of $123,000. The property closed on January 3, 2025 and during the 13 weeks ended December 28, 2024, the Company incurred additional operating losses of $146,000.

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. It is expected that Ark Hollywood/Tampa Investment LLC will distribute approximately 35% of the net proceeds, after expenses, to the other equity holders of Ark Hollywood/Tampa Investment LLC during the second fiscal quarter of 2025.

Liquidity and Capital Resources

Our primary source of capital has been cash provided by operations and, in recent years, bank and other borrowings to finance specific transactions, acquisitions and large remodeling projects. We utilize cash generated from operations to fund the cost of developing and opening new restaurants and smaller remodeling projects of existing restaurants we own. Consistent with many other restaurant operators, we typically use operating lease arrangements for our restaurants. In recent years we have been able to acquire the underlying real estate at several locations along with the restaurant operation. We believe that our operating lease arrangements provide appropriate leverage of our capital structure in a financially efficient manner.
As of December 28, 2024, we had a cash and cash equivalents balance of $13,101,000. The Company had a working capital deficit of $4,264,000 at December 28, 2024 as compared with a working capital deficit of $10,659,000 at December 30, 2023. This decrease in the deficit is primarily the result of the payment received in connection with the termination of the *Tampa Food Court* lease.

Inflation

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

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

Cash Flows for 13 Weeks Ended December 28, 2024 and December 30, 2023

Net cash used in operating activities for the 13 weeks ended December 28, 2024 was $1,346,000 as compared to net cash provided by operating activities of $558,000 in the same period last year and resulted primarily from a decrease in operating income, excluding the loss on the closure of *El Rio Grande* and a gain on the termination of our *Tampa Food Court* lease.

Net cash provided by investing activities for the 13 weeks ended December 28, 2024 was $4,895,000 as compared to cash used in investing activities of $254,000 in the same period as last year. This increase resulted primarily from the payment received in connection with the termination of the *Tampa Food Court* lease.

Net cash used in financing activities for the 13 weeks ended December 28, 2024 and December 30, 2023 was $721,000 and $1,597,000, respectively, and resulted primarily from principal payments on notes payable and the payment of distributions to non-controlling interests and in the prior year the payment of dividends.

Credit Facility

On March 30, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the “Credit Agreement”), with its lender, Bank Hapoalim B.M. (“BHBM”). This facility, which matures on June 1, 2025, replaced our revolving credit facility which was entered into in June 1, 2018 (the “Prior Credit Agreement”). Under the terms of the Credit Agreement: (i) a promissory note under the Prior Credit Agreement in the amount of $6,666,000 was repaid, (ii) BHBM established a new revolving credit facility in the amount of $10,000,000 with a commitment termination date of May 31, 2025, (iii) the Company may use the revolving commitments of BHBM to obtain letters of credit up to a sublimit thereunder of $1,000,000, and (iv) the LIBOR rate option for all borrowings was replaced with the secured overnight financing rate for U.S. Government Securities (“SOFR”). Advances 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 $10,000,000 revolving facility. As of December 28, 2024, no advances were outstanding under the Credit Agreement. As of December 28, 2024, the weighted average interest on the outstanding BHBM indebtedness was approximately 8.2%.

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, maintain a minimum fixed charge coverage ratio and meet minimum annual net income amounts. 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.

Cash Flow Outlook

The Company's agreements with the Bryant Park Corporation (the “Landlord”), (a private non-profit entity that manages Bryant Park under agreements with the New York City Department of Parks & Recreation) for the *Bryant Park Grill & Cafe* and *The Porch at Bryant Park* expire on April 30, 2025. During July 2023 (for the *Bryant Park Grill & Cafe*) and September 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 are for new 10-year agreements, with one five-year renewal option. On January 27, 2025, at a public local community board meeting, the Landlord stated that it had selected a new operator for both locations, although, to the best of our knowledge, no agreements have been signed as of the date of this filing. Any such agreements must be approved by both the New York City Department of Parks & Recreation and the New York Public Library. Management continues to work with its outside advisors who have been assisting with our efforts to obtain the extensions by ensuring the RFP awards process was both fair and transparent. We intend to pursue all available options to protect the Company's interests.

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

Critical Accounting Estimates

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

The Company's critical accounting estimates are described in the Company's MD&A included in Form 10-K for the year ended September 28, 2024. There have been no significant changes to such critical accounting estimates during the first fiscal quarter 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 December 28, 2024 to ensure that all material information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to them as appropriate to allow timely decisions regarding required disclosure and that all such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

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

Limitations of the Effectiveness of Internal Control

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

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not subject to pending legal proceedings, other than ordinary claims incidental to its business, which the Company does not believe will materially impact results of operations.

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

Item 6. Exhibits

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).

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* 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: February 11, 2025

ARK RESTAURANTS CORP.

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

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

EXHIBIT 31.1

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: February 11, 2025

/s/ Michael Weinstein

Michael Weinstein
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

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: February 11, 2025

/s/ Anthony J. Sirica

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

Exhibit 32

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 December 28, 2024 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 February 11, 2025

/s/ Michael Weinstein	/s/ Anthony J. Sirica
Michael Weinstein	Anthony J. Sirica
Chief Executive Officer	*Chief Financial Officer*
(Principal Executive 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.