UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-K

(Mark One)
☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-37379

The ONE Group Hospitality, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**14-1961545**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1624 Market Street, Suite 311, Denver, Colorado	**80202**
(Address of principal executive offices)	Zip Code

646-624-2400
(Registrant’s telephone number, including area code)

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

Title of each class	Title of each class	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	**STKS**	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) 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 the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☒ Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant computed by reference to the price at which the common equity was last sold, as of the last business day of the registrant’s most recently completed second fiscal quarter, was $88,708,791.

Number of shares of Common Stock outstanding as of February 28, 2025: 31,040,871

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for its 2025 annual meeting of stockholders are incorporated by reference in Part III of this Form 10-K.

TABLE OF CONTENTS

Cautionary Note Regarding Forward-Looking Statements:

This Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"). Forward-looking statements speak only as of the date thereof and involve risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risk and uncertainties include, but are not limited to, the risk factors discussed under Item 1A. "Risk Factors" of this Annual Report on Form 10-K. Factors that might cause actual events or results to differ materially from those indicated by these forward-looking statements include matters such as future economic performance, general economic conditions, consumer preferences and spending, costs, competition, new product execution, restaurant openings or closings, operating margins, the availability of acceptable real estate locations, the sufficiency of our cash balances and cash generated from operations and financing activities for our future liquidity and capital resource needs, the impact on our business of Federal and State legislation and local regulation, future litigation, the execution of our growth strategy and other matters. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "ongoing," "could," "estimates," "expects," "intends," "may," "appears," "suggests," "future," "likely," "goal," "plans," "potential," "projects," "predicts," "should," "targets," "would," "will" and similar expressions that convey the uncertainty of future events or outcomes. You should not place undue reliance on any forward-looking statement. We do not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as may be required under applicable law.

PART I

As used in this report, the terms “Company,” “we,” “our,” or “us,” refer to The ONE Group Hospitality, Inc. and its consolidated subsidiaries, taken as a whole, unless the context otherwise indicates. The term “year ended” refers to the entire calendar year unless the context otherwise indicates.

Item 1. Business

Description of the Business

We are an international restaurant company that develops, owns and operates, manages, licenses and franchises upscale and polished casual, high-energy restaurants and lounges and provides turn-key food and beverage (“F&B”) services and consulting service for hospitality venues including hotels, casinos and other high-end locations. Turn-key F&B services are food and beverage services that can be scaled, customized and implemented by us for the client. Our vision is to be a global market leader in the hospitality industry by melding high-quality service, ambiance, high-energy and cuisine into one great experience that we refer to as “Vibe Dining”. We design all our restaurants, lounges and F&B services to create a social dining and high-energy entertainment experience within a destination location. We believe that this design and operating philosophy separates us from more traditional restaurant and foodservice competitors.

Our primary restaurant brands are STK, a modern twist on the American steakhouse concept featuring premium steaks, seafood and specialty cocktails in an energetic upscale atmosphere; Benihana, an interactive dining destination with highly skilled chefs preparing food in front of guests and served in an energetic atmosphere alongside fresh sushi and innovative cocktails; Kona Grill, a polished casual bar-centric grill concept featuring American favorites, award-winning sushi, and specialty cocktails in a polished casual atmosphere; and RA Sushi, a Japanese cuisine concept that offers a fun-filled, bar-forward, upbeat, and vibrant dining atmosphere anchored by creative sushi, inventive drinks, and outstanding service. Our F&B hospitality management services are marketed as ONE Hospitality and include developing, managing and operating restaurants, bars, rooftop lounges, pools, banqueting and catering facilities, private dining rooms, room service and mini bars tailored to the specific needs of high-end hotels and casinos. We also provide hospitality advisory and consulting services to certain clients. Our F&B hospitality clients operate global hospitality brands such as the W Hotel, ME Hotel, Curio by Hilton and Hippodrome Casino. For those restaurants and venues that are managed, licensed or franchised, we generate management fee and franchise fee revenue based on top-line revenues and incentive fee revenue based on a percentage of the location's revenues and net profits.

We opened our first restaurant in January 2004 in New York, New York. We currently own, operate, manage, license or franchise 166 venues including 30 STKs, 84 Benihanas, 27 Kona Grills and 16 RA Sushis in major metropolitan cities in North America, Europe and the Middle East and 9 F&B venues in four hotels and casinos in the United States and Europe.

We opened the following six new venues in 2024:

- Owned STK restaurant in Washington, D.C.
- Owned STK restaurant in Aventura, Florida
- Managed STK restaurant at Niagara Falls in Ontario, Canada
- Owned Kona Grill restaurant in Tigard, Oregon
- Owned RA Sushi restaurant in Plantation, Florida
- Owned Salt Water Social restaurant in Denver, Colorado

We intend to add five to seven new venues in 2025.

There are currently two Company-owned STK restaurants, one Company-owned Benihana, one Company-owned Kona Grill, and one franchised Benihana (Express) restaurant under construction in the following cities:

- Owned STK restaurant in Los Angeles, California
- Owned STK restaurant in Topanga, California
- Owned Benihana restaurant in San Mateo, California
- Owned Kona Grill restaurant in Seattle, Washington
- Franchised Benihana (Express) in Miami, Florida

As our footprint increases, we expect to benefit by leveraging system-wide operating efficiencies and best practices through the management of our general and administrative expenses as a percentage of overall revenue.

Acquisitions

On May 1, 2024, we acquired Safflower Holdings Corp., which beneficially owns most of the Benihana restaurants, as well as all of the RA Sushi restaurants, in the United States, and franchises Benihana locations in the U.S., Latin America (excluding Mexico) and the Caribbean.

Brands and Locations

The table below reflects our venues by restaurant brand and geographic location:

	Venues				
	STK[1]	Benihana	Grill Concepts	ONE Hospitality[2]	Total
Domestic					
Owned [3]	18	73	43	3	137
Managed	2	—	—	1	3
Licensed	1	—	—	—	1
Franchised	—	8	—	—	8
Total domestic	21	81	43	4	149
International					
Owned	—	—	—	1	1
Managed	5	—	—	4	9
Licensed	4	—	—	—	4
Franchised	—	3	—	—	3
Total international	9	3	—	5	17
Total venues	30	84	43	9	166

(1) Locations with an STK and STK Rooftop are considered one venue location. This includes the STK Rooftop in San Diego, CA, which is a licensed location.
(2) Includes concepts under the Company's F&B hospitality management agreements and other venue brands such as Salt Water Social, Bao Yum, Heliot, Hideout, Radio and Rivershore Bar & Grill.
(3) Includes Benihana locations at sports arenas.

We expect to continue expanding our operations domestically and internationally primarily through a mix of owned, licensed, managed and franchised restaurants using a disciplined and targeted site selection process. We refer to our licensing, management and franchising strategy as our "capital light strategy" because it requires significantly less capital than expansion through owned restaurants only. Refer to Item 2 – Properties for additional details regarding the domestic and international locations in which we operate.

STK

STK is a modern twist on the American steakhouse concept with locations in major metropolitan cities. STK artfully blends the modern steakhouse and a chic lounge, offering a high-energy, fine dining experience in a social atmosphere with the quality and service of a traditional upscale steakhouse. Each STK location features a large, open restaurant and bar area with a DJ playing music throughout the restaurant, offering our customers a high-energy, fun "destination" environment that encourages social interaction. We believe this Vibe Dining concept truly differentiates us from other upscale steakhouses. Our menu provides a variety of portion sizes and signature options to appeal to a broad customer demographic.

We operate eighteen owned, seven managed and five licensed STK restaurants in North America, Europe and the Middle East. Our STK restaurants average 10,000 square feet, and we typically target locations that range in size from 8,000 to 10,000 square feet. In 2024, the average domestic restaurant revenues and average check per person for owned and managed STK restaurants that have been open at least 24 months at December 31, 2024 were $15.5 million and $127, respectively.

We are focused on expanding our global STK footprint. We believe that the locations of our STK restaurants are critical to our long-term success, and we devote significant time and resources to analyze prospective restaurant sites. We intend to continue our focus on (i) metropolitan areas with demographic and discretionary spending profiles that favor our high-end concept and (ii) finding partners with excellent track records and brand recognition. We also consider factors such as traffic patterns, proximity to high-end shopping areas and office buildings, hotels and convention centers, area restaurant competition, accessibility and visibility. We have identified over 75 additional major metropolitan areas across the globe where we could grow our STK brand to 200 restaurants over the foreseeable future. We expect to open four to six STKs annually.

Benihana

Benihana is an interactive dining destination with highly skilled chefs preparing food right in front of guests and served in an energetic atmosphere. Benihana restaurants are a place to meet new friends, celebrate special occasions or just enjoy an entertaining meal. Highly skilled teppanyaki chefs slice and dice your meal on teppanyaki grills, providing entertainment as you enjoy traditional Japanese cooking using American favorites like steak, chicken, seafood and vegetables. Benihana restaurants pioneered the communal dining concept in the early 1960's where up to eight people are seated around a Japanese hibachi grill waiting anxiously for their personal show to begin.

We operate seventy-three owned and eleven franchised Benihana restaurants in the U.S, Latin America (excluding Mexico) and the Caribbean. Our Benihana restaurants average 8,000 square feet, and we typically target locations that range in size from 6,000 to 10,000 square feet. For 2024, the average domestic restaurant revenues and the average transaction for owned Benihana restaurants was $6.5 million and $111, respectively.

We are focused on expanding our Benihana footprint. We intend to focus on (i) metropolitan areas with demographic and discretionary spending profiles and (ii) finding partners with excellent track records and brand recognition. We also consider factors such as traffic patterns, proximity to high-end shopping areas and office buildings, hotels and convention centers, area restaurant competition, accessibility and visibility. We have identified additional major metropolitan areas across the U.S., Latin America and the Caribbean, where we could grow our Benihana brand to 400 restaurants over the foreseeable future. We expect to open one to three Benihanas or Benihana (Expresses) annually. Benihana (Express) is a 1,000 to 3,000 square foot version of Benihana with limited seating, a limited menu, and no teppanyaki grills.

Grill Concepts

Our Grill Concepts offer freshly prepared food and attentive service in an upscale, contemporary ambiance that creates an exceptional dining experience that we believe exceeds many traditional dining restaurants. Menu items are crafted to have memorable flavor profiles that appeal to a wide range of customers. The diverse menu is complemented by a full-service bar offering a broad assortment of wines, craft cocktails, and beers.

Grill Concepts is made up of Kona Grill, a bar-centric grill concept featuring American favorites, steaks, seafood, award-winning sushi, and specialty cocktails in a polished casual atmosphere, and RA Sushi, a Japanese cuisine concept that offers a fun-filled, bar-forward, upbeat, and vibrant dining atmosphere.

We own and operate twenty-seven Kona Grill restaurants and sixteen RA Sushi restaurants within the United States. Our Grill Concepts restaurants average approximately 6,000 square feet. In 2024, the average restaurant revenues were $3.9 million and average transaction was $64.

ONE Hospitality

Our ONE Hospitality platform is composed of our F&B hospitality management and consulting agreements with hotels, casinos, and other high-end locations as well as our other brands and venue concepts, which are described below:

- *F&B Services.* Our F&B services for hospitality venues provide attractive and comprehensive tailored food and beverage solutions to our hospitality clients. Our fee-based hospitality food and beverage solutions include developing, managing and operating restaurants, bars, rooftops, pools, banquet and catering services, private dining rooms, in-room dining services and mini bars on a contract basis. Currently, we operate three venues pursuant to F&B hospitality management agreements or leases with hotels and casinos in the United States and in Europe. Historically, our clients have provided the majority of the capital required for the development of the facilities we manage on their behalf.

- *Bao Yum*. A fast-casual concept that offers a whimsical twist on classic bao. Bao Yum serves breakfast, lunch, dinner and dessert bao along with a variety of salads, soups, sandwiches and snacks. Bao Yum currently operates in London, England.

- *Heliot*. Heliot Steak House is an award-winning steakhouse and bar within the Hippodrome Casino in London, England that offers impressive views of the main casino gambling floor.

- *Hideout*. The Hideout by STK is an outdoor, poolside restaurant and bar within the W Hotel in Westwood, California, which complements our owned STK and F&B hospitality services also offered within the W Hotel in Westwood.

- *Radio*. Radio Rooftop is a premier rooftop restaurant and lounge bar concept boasting striking city views with a signature location on top of the ME Milan hotel.

- *Rivershore Bar & Grill.* Rivershore Bar & Grill celebrates the end of the Oregon Trail with a beautiful river view, American favorites and friendly, professional service in Oregon City, Oregon.

- *Salt Water Social.* Salt Water Social, a Company-owned location, is a gateway to the seven seas, featuring an array of signature and unique fresh seafood items, complemented by the highest quality beef dishes and elegant, delicious cocktails in Denver, Colorado.

Our F&B hospitality contracts generate revenues for us through management fees, which are typically calculated as a percentage of the operation's revenues, and we earn additional milestone and incentive fees based on the operation's profitability. We typically target F&B hospitality service opportunities where we believe we can generate at least $500,000 of annual pre-tax income.

We expect our F&B hospitality services business to be an important driver of our growth and profitability, enabling us to generate leads to develop managed STK restaurants and management fee income with minimal capital expenditures. We believe we are well positioned to leverage the strength of our brands and the relationships we have developed with global hospitality providers to drive the continued growth of our F&B hospitality business. We continue to receive inbound inquiries regarding new opportunities globally, and we continue to work with existing hospitality clients to identify and develop additional opportunities in their venues.

We closed the following restaurants in 2024:

- In February 2024, we terminated our agreement with REEF Kitchens.
- In April 2024, we closed one Company-owned Kona Grill restaurant as the lease expired.
- In July 2024, we terminated a franchise agreement for one Benihana restaurant.
- In October 2024, we closed four Company-owned RA Sushi restaurants, three of which shared markets with a Kona Grill.

In January 2025, we closed one Company-owned Benihana restaurant at a sports arena in Carson, California.

Sourcing and Supply Chain

We seek to ensure that consistently high-quality food and beverages are served at all of our venues through the coordination and cooperation of our purchasing and culinary teams.

Our culinary and purchasing teams establish product specifications on a global basis, which are then disseminated to all locations through recipe books for all dishes served at our properties. We are committed to culinary innovation which allows us flexibility in our preparations and offerings in order to manage costs and ensure regular availability.

We maintain consistent pricing standards and procedures for all top-volume purchases at our restaurants.

We select high quality suppliers and negotiate pricing on a national level in each country where one or more of our restaurants operate. We evaluate new suppliers on a regional basis for an extended period before using them on a national basis. We periodically review supplier consistency and satisfaction with our restaurant chefs and continually research and evaluate products and supplies to ensure the meat, seafood and other menu ingredients that we purchase comply with our high-quality specifications. We believe we have strong relationships with national and regional foodservice distributors who can continue to supply us with our products on a consistent basis. Products are shipped directly to the restaurants from our suppliers.

Our corporate beverage program establishes guidelines for ordering beverage products at our properties. We provide beverage managers at each restaurant with national guidelines for standardized products. Our concepts emphasize the bar as a key driver of activity in our restaurants. In 2024, the sale of beverages at owned STK restaurants accounted for approximately 22% of owned STK restaurant revenues. From the date of the Benihana Acquisition on May 1, 2024 to December 31, 2024, the sales of beverages at owned Benihana restaurants accounted for approximately 12% of owned Benihana restaurant revenues. In 2024, the sale of beverages at Grill Concepts restaurants accounted for approximately 20% of Grill Concepts restaurant revenues.

On a company-wide basis, no supplier of food, excluding Sysco, accounts for more than 15% of our total food and beverage purchases and no brand of alcohol accounts for more than 25% of our alcohol purchases. We believe that our food and beverage supplies are available from a significant number of alternate suppliers and that the loss of a supplier would not have a material adverse effect on our costs of supplies.

Advertising and Marketing

The primary focus of our advertising and marketing is to increase awareness of our brands and our overall reputation for quality, service and delivering a high-energy experience. Our marketing efforts are designed to strengthen our brand recognition in markets where we operate and to create brand awareness in new markets before opening a new location. We use digital/social media channels, targeted local media such as magazines, billboards and other out-of-home advertising, and a strong network of public relations teams to increase the frequency with which our existing customers visit our restaurants and to attract new customers. We conduct frequent promotional programs tailored to the city, brand and clientele of each location. We utilize a network of local and national public relations firms to support these promotional programs. Additional marketing functions include the use of our websites, www.STKsteakhouse.com, www.Benihana.com, www.KonaGrill.com and www.RASushi.com, to facilitate online reservations, to-go/delivery orders and gift card sales to drive revenue.

Competition

The restaurant and hospitality industries are intensely competitive with respect to price, quality of service, location, ambiance of facilities and type and quality of food. We experience competition from a variety of sources, including upscale steakhouse chains such as Ruth Chris, Del Frisco's, Fleming's, Mastro's, The Capital Grille, Fogo De Chao, local upscale steakhouses, local sushi restaurants, local teppanyaki restaurants and polished casual chains, such as The Cheesecake Factory, Bonefish and BJ's. There is also competition from other Vibe Dining restaurants such as Nobu, Catch, Lavo, Zuma and Tao and other high-end hospitality services companies such as the Gerber Group and Lettuce Entertain You. To the extent that we operate lounges and similar venues in hotels and resorts, we are subject to our host venues being able to compete effectively in attracting customers to frequent our establishments.

Seasonality

Our business is subject to fluctuations due to seasonality and adverse weather. Because of the seasonality of the business and the industry, results for any quarter are not necessarily indicative of the results that may be achieved for any other quarter or the full calendar year. Typically, our fourth quarter has higher sales volumes than other quarters in the year.

Intellectual Property

Our rights in our registered and unregistered intellectual property, including trademarks and service marks, are significant to our business. We own the U.S. federal registration rights to "STK," "Kona Grill," "Benihana," "RA Sushi" and several related word marks and design marks related to our brands. We depend on registered and unregistered trademarks and service marks to maintain the identity of our locations. We license the rights to use certain trademarks we own or license to our licensees in connection with their operations. We also own several other trademarks and service marks. It is our policy to defend our marks against encroachment by others.

Human Capital Resources

As of December 31, 2024, we employed 135 employees within our support centers, 51 employees in multi-unit leadership and an aggregate of 594 full-time, salaried employees at our venues. We rely on hourly-wage employees for kitchen staff, servers, bussers, runners, polishers, hosts, bartenders, barbacks, reservationists, administrative support, and interns. The average headcount for employees in our domestic restaurants is 70. Combining full-time and part-time employees, we employ and manage directly approximately 10,300 persons and through ONE Hospitality we manage approximately 500 employees for a total of approximately 10,800 employees worldwide. We have never experienced a work stoppage, and none of our employees are represented by a labor organization.

Our human capital objectives include attracting, developing, rewarding, and retaining our existing and new employees. We offer our employees online training courses and on-the-job training. Restaurant management trainees undergo training in order to understand all aspects of our restaurant operations. We provide our employees with cash-based performance bonuses. We also have an equity incentive compensation plan to provide certain management-level or other key employees with stock-based awards. We have implemented programs to attract and retain both restaurant managers and hourly employees. We monitor our progress with metrics such as employee performance measures, turnover rates and restaurant customer surveys.

Government Regulation

Our operations are subject to extensive federal, state and local governmental regulation, including health, safety, labor, sanitation, building and fire agencies in the state, county, municipality or jurisdiction in which the restaurant is located. In certain states, our restaurants are subject to “dram shop” statutes, which generally provides a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. We maintain the necessary restaurant, alcoholic beverage and retail licenses, permits and approvals. Federal and state labor laws govern our relationship with our employees and affect operating costs. The development and construction of new restaurants are also subject to compliance with applicable zoning, land use and environmental regulations. A failure to comply with one or more regulations could result in the imposition of sanctions, including the closing of restaurants for an indeterminate period of time, fines or third-party litigation.

Available Information

We are required to file reports with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov.

We maintain a website at www.togrp.com, including an investor relations section at ir.togrp.com, on which we routinely post information, such as webcasts of quarterly earnings calls and other investor events in which we participate and any related material. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, as well as other reports relating to us that are filed with or furnished to the SEC, can be accessed in the investor relations section of our website free of charge as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC.

We also make available on our website and in print to any stockholder who requests it, our Audit, Compensation, and Nominating and Corporate Governance Committee charters, as well as the Code of Conduct that applies to all directors, officers and employees of the Company. We do not incorporate any information found or accessible through our websites into this Annual Report on Form 10-K.

Item 1A. Risk Factors

RISK FACTORS

Ownership of our common stock involves certain risks. Holders of our common stock and prospective investors should carefully consider the following risks and other information contained in this document, including our historical financial statements and related notes included herein. The following risk factors could materially adversely affect our business, financial condition and results of operations. This could cause the trading price of our common stock to decline, perhaps significantly, and you may lose part or all of your investment. The risks and uncertainties below are all those that we have identified as material but may not be the only risks and uncertainties facing us. Our business is subject to general risks and uncertainties that affect many other companies, including overall economic and industry conditions.

Economic Conditions and Competition

Our business is dependent on discretionary spending patterns, business travel and general economic conditions.

We depend on consumer discretionary spending, business travel and the overall economic environment. Disruptions in the economy, including recessions, high unemployment, foreclosures, bankruptcies, inflation and other economic impacts, could affect consumers' ability and willingness to spend discretionary dollars. Reductions in discretionary income and spending also would impact our casino-based restaurants and food and beverage services operations. Reductions in business travel and dining, which we believe accounts for a majority of our weekday revenues at our hotel-based restaurants and food and beverage services operations, would adversely affect our revenues. If uncertain economic conditions were to persist for an extended period of time or worsen, consumers might make long-lasting changes to their discretionary spending behavior, including dining out less frequently. Adverse changes in consumer discretionary spending could be affected by many different factors that are out of our control, including international, national and local economic conditions, any of which could harm our business prospects, financial condition, operating results and cash flows. Continued uncertainty in or a worsening of the economy, generally or in a number of our markets, and our customers' reactions to these trends could adversely affect our business and cause us to, among other things, reduce the number and frequency of new restaurant openings, close locations and delay any remodeling of existing restaurants. Our success will depend in part upon our ability to anticipate, identify and respond to changing economic and other conditions.

We operate multiple venues in some cities and are therefore sensitive to economic and other trends and developments in these cities.

We operate multiple venues in some cities. We typically operate one to five venues in the cities where we operate. Accordingly, in cities where we have multiple venues, our business is susceptible to adverse changes in these markets whether as a result of declining economic conditions, declining stock market performance, negative publicity, changes in customer preferences or for other reasons, and any such adverse changes may have a disproportionate effect on our overall results of operations compared to some of our competitors that may have less restaurant concentration or that do not operate in our markets. Any regional occurrences such as local labor strikes, natural disasters, prolonged inclement weather, acts of terrorism or other national emergencies, accidents, energy shortages, system failures or other unforeseen events in or around these cities could result in temporary or permanent closings of our venues, which could have a material adverse effect on our business, financial condition and results of operations as a whole.

Competition in the restaurant industry is intense.

The restaurant and hospitality industry is intensely competitive with respect to price, quality of service, location, ambiance of facilities and type and quality of food. The industry is also characterized by the continual introduction of new concepts and is subject to rapidly changing consumer preferences, tastes, trends and eating and purchasing habits. Our success depends in part on our ability to anticipate and respond quickly to changing consumer preferences, and other factors affecting the restaurant and hospitality industry, including new market entrants and demographic changes. Shifts in consumer preferences away from upscale steakhouses or beef in general, which are significant components of our concepts' menus and appeal, whether as a result of economic, competitive or other factors, could adversely affect our business and results of operations.

A substantial number of national and regional restaurant chains, as well as independently owned restaurants, compete with us for customers, restaurant locations and qualified management and other restaurant staff. There is also competition from non-steak but upscale and high-energy restaurants, and other high-end hospitality services companies and high-energy nightlife concepts. To the extent that our restaurants and F&B hospitality services operations are in hotels, casinos, resorts and similar locations, we are subject to competition in the broader lodging and hospitality markets that could draw potential customers away from our locations.

Some of our competitors have greater financial, marketing and operating resources than we do, have been in business longer, have greater name recognition and are better established in the markets where our restaurants and F&B hospitality services operations are located or where we may expand. In addition, improved product offerings in the fast casual segment of the restaurant industry, combined with the effects of negative economic conditions and other factors, may lead consumers to choose less expensive alternatives. Our inability to compete successfully with other restaurants, other F&B hospitality services operations and other segments of the industry may harm our ability to maintain acceptable levels of revenue growth, limit our development of new restaurants or concepts, or force us to close one or more of our restaurants or F&B hospitality services operations.

We may also need to evolve our concepts to compete with popular new restaurant or F&B hospitality services operation formats, concepts or trends that emerge from time to time, and we cannot provide any assurance that any changes we make to any of our concepts in response will be successful or not adversely affect our profitability.

Health and Safety

Health concerns arising from outbreaks of flu viruses or other diseases, or regional or global health pandemics could severely affect our business.

The United States and other countries have experienced, or may experience in the future, outbreaks of viruses, such as coronavirus, norovirus, Avian Flu or "SARS," H1N1 or "swine flu," or other diseases such as bovine spongiform encephalopathy, commonly known as "mad cow disease." If a virus is transmitted by human contact, our employees or customers may become infected, or may choose, or be advised, to avoid gathering in public places, any of which may adversely affect the guest traffic at our restaurants and the ability to adequately staff our restaurants, receive deliveries on a timely basis or perform functions at the corporate level. We also may be adversely affected if jurisdictions in which we have restaurants impose mandatory closures, seek voluntary closures or impose restrictions on operations. Even if such measures are not implemented and a virus or other disease does not spread significantly, the perceived risk of infection or significant health risk may adversely affect our business.

To the extent that a virus or disease is food-borne, or perceived to be food-borne, future outbreaks may adversely affect the price and availability of certain food products and cause our customers to eat less of such products. For example, health concerns relating to the consumption of beef or to specific events such as the outbreak of "mad cow disease" may adversely impact sales of our beef-related menu items. In addition, public concern over "avian flu" may cause fear about the consumption of chicken, eggs and other products derived from poultry. The inability to serve beef or poultry-based products would restrict our ability to provide a variety of menu items to our customers. If we change our menu in response to such concerns, we may lose customers who do not prefer the new menu, and we may not be able to sufficiently attract new customers to produce the revenue needed to restore the profitability of our restaurant operations. We also may generate different or additional competitors for our intended customers as a result of such a menu change and may not be able to successfully compete against such competitors.

Failure to protect food supplies and adhere to food safety standards could result in food borne illnesses and adversely affect our business.

Failure to protect our food supply or enforce food safety policies, such as proper food temperature and adherence to shelf-life dates, could result in food-borne illnesses to our guests. Also, our reputation of providing high-quality food is an important factor in our guests choosing our restaurants. Whether or not traced to our restaurants or those of our competitors, instances of food borne illness or other food safety issues could reduce the demand for certain or all of our menu offerings. If any of our guest become ill from consuming our products, the affected restaurants may be forced to close, and we may be subject to legal liability. An instance of food contamination from one of our restaurants or suppliers could have far-reaching effects, as the contamination, or the perception of contamination could affect any or all of our restaurants. Publicity related to either product contamination, recalls, or food-borne illness, including Bovine-Spongiform Encephalopathy, which is also known as BSE or mad cow disease, aphthous fever, which is also known as hoof and mouth disease, and hepatitis A, listeria, salmonella and e-coli may also injure our brand and may affect the selection of our restaurants by our guests or licensees based on fear of such illnesses. In addition, the occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, which could result in disruptions in our supply chain and/or lower margins for us and our licensees and franchisees.

Labor and Supplies

Changes to wage, immigration and labor laws could increase our costs substantially.

Under the minimum wage laws in most domestic jurisdictions, we are permitted to pay certain hourly employees a wage that is less than the base minimum wage because these employees receive tips as a substantial part of their income. As of December 31, 2024, approximately 26% of our employees earn this lower minimum wage in their respective locations since tips constitute a substantial part of their income. If cities, states or the federal government change their laws to require all employees to be paid the general employee minimum base wage regardless of supplemental tip income, our labor costs would increase substantially. Certain states in which we operate restaurants also have adopted or are considering adopting minimum wage statutes that exceed the federal minimum wage. We may be unable or unwilling to increase our prices to pass these increased labor costs on to our customers, in which case, our business and results of operations could be adversely affected.

A restaurant company employer may claim a credit against the company's federal income taxes for FICA taxes paid on certain tip wages (the "FICA tip credit"). We utilize the federal FICA tip credit to reduce our federal income tax expense. Changes in the tax law could reduce or eliminate the FICA tip credit, which could negatively impact our results of operations and cash flows in future periods.

Further, the federal government has made some recent changes to immigration and deportation policies, and the U.S. Congress and Department of Homeland Security may implement further changes to federal immigration laws, regulations or enforcement programs. Some of these changes may increase our obligations for compliance and oversight, which could subject us to additional costs and make our hiring process more cumbersome or reduce the availability of potential employees. Even if we operate our restaurants in strict compliance with U.S. Immigration and Customs Enforcement and state requirements, some of our employees may not meet federal work eligibility or residency requirements, which could lead to a disruption in our work force. Although we require all of our new employees to provide us with the government-specified documentation evidencing their employment eligibility, some of our employees may, without our knowledge, be unauthorized workers. Unauthorized workers are subject to seizure and deportation and may subject us to fines, penalties or loss of our business license in certain jurisdictions. Additionally, a government audit could result in a disruption to our workforce or adverse publicity that could negatively impact our brand and our use of E-Verify and/or potential for receipt of letters from the Social Security Administration requesting information (commonly referred to as no-match letters) could make it more difficult to recruit and/or retain qualified employees.

Potential changes in labor laws or increased union recruiting activities could result in portions of our workforce being subjected to greater organized labor influence. Although we do not currently have any unionized employees, labor legislation could have an adverse effect on our business and financial results by imposing requirements that could potentially increase our costs, reduce our flexibility and impact our ability to service our customers. In addition, a labor dispute involving some or all of our employees could harm our reputation, disrupt our operations and reduce our revenues and resolution of such disputes may increase our costs.

The loss of key personnel or difficulties recruiting and retaining qualified personnel could adversely affect our business and financial results.

Our success depends substantially on the contributions and abilities of key executives and other employees, and on our ability to recruit and retain high-quality employees to work in and manage our restaurants. We must continue to recruit, retain and motivate management and other employees sufficient to maintain our current business and support our projected growth. A loss of key employees or a significant shortage of high-quality restaurant employees to maintain our current business and support our projected growth could adversely affect our business and financial results.

The restaurant industry has in the past faced labor challenges, particularly coming out of the COVID-19 pandemic. Although, we have been able to fully staff our restaurants in challenging labor environments, there is no assurance that we will be able to continue to effectively manage our employee base and avoid a labor shortage.

We occupy most of our restaurants and some of our food and beverage hospitality services locations under long-term non-cancelable leases under which we may remain obligated to perform even if we close those operations, and we may be unable to renew leases at the end of their terms.

Most of our restaurants and some of our food and beverage hospitality operations are located in premises that we lease. Many of our current leases are non-cancelable and typically have terms ranging from 10 to 15 years with renewal options for terms ranging from 5 to 10 years. We believe that future leases that we enter into will be on substantially similar terms. Fixed payments and/or minimum percentage rent payments under our operating leases and management agreements account for a significant portion of our operating expenses. This may increase our vulnerability to general adverse economic and industry conditions, limit our ability to obtain additional financing, and limit our flexibility in planning for or reacting to changes in our business.

We primarily depend on cash flow from operations to pay our obligations and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities and sufficient funds are not otherwise available to us from borrowings under our credit facility or other sources, we may not be able to meet our operating lease and management agreement obligations, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which could adversely affect our business and results of operations.

If we were to close or fail to open a restaurant, we would generally remain committed to perform our obligations under the applicable lease, which could include, among other things, payment of the base rent for the balance of the lease term. Our obligation to continue making rent payments and fulfilling other lease obligations in respect of leases for closed or unopened restaurants could have a material adverse effect on our business and results of operations. Alternatively, at the end of the lease term and any renewal period for a restaurant, we may be unable to renew the lease without substantial additional cost, if at all. If we cannot renew such a lease we may be forced to close or relocate a restaurant, which could subject us to construction and other costs and risks.

Additionally, negative effects on our existing and potential landlords due to the inaccessibility of credit and other unfavorable economic factors may adversely affect our business and results of operations. If our landlords are unable to obtain financing or remain in good standing under their existing financing arrangements, they may be unable to provide construction contributions or satisfy other lease covenants to us. If any landlord files for bankruptcy protection, the landlord may be able to reject our lease in the bankruptcy proceedings. While we would under some circumstances have the option to retain our rights under the lease, we could not compel the landlord to perform any of its obligations and would be left with damages (which are subject to collectability risk) as our sole recourse. Our development of new restaurants may also be adversely affected by the negative financial situations of potential developers, landlords and host sites. Such parties may delay or cancel development projects or renovations of existing projects due to the instability in the credit markets and economic uncertainty. This could reduce the number of high-quality locations available that we would consider for new restaurants or cause the quality of the sites in which the restaurants and food and beverage hospitality services operations are located to deteriorate. Any of these developments could have an adverse effect on our existing businesses or cause us to curtail new projects.

We depend upon frequent deliveries of food, alcohol and other supplies, which subjects us to the possible risks of shortages, interruptions and price fluctuations.

Our ability to maintain consistent quality throughout our locations depends in part upon our ability to acquire fresh, quality products, including beef, seafood, produce and related items, from reliable sources in accordance with our specifications. We currently purchase our food products from various suppliers. We have elected to purchase our beef from a limited number of suppliers. If there were any shortages, interruptions or significant price fluctuations in beef or seafood or if our suppliers were unable to perform adequately or fail to distribute products or supplies to our restaurants, or terminate or refuse to renew any contract with us, this could cause a short-term increase in our costs or cause us to remove certain items from our menu, increase the price of certain offerings or temporarily close a location, which could adversely affect our business and results of operations.

In addition, we purchase beer, wine and spirits from distributors who own the exclusive rights to sell such alcoholic beverage products in the geographic areas in which our restaurants operate. Our continued ability to purchase certain brands of alcoholic beverages depends upon maintaining our relationships with those distributors, of which there can be no assurance. If any of our alcohol beverage distributors cease to supply us, we may be forced to offer brands of alcoholic beverage which have less consumer appeal or that do not match our brand image, which could adversely affect our business and results of operations.

Increases in commodity prices would adversely affect our results of operations.

Our profitability depends in part on our ability to anticipate and react to changes in commodity costs, which have a substantial effect on our total costs. The purchase of beef represents approximately 32% of our food and beverage costs. The market for beef is subject to extreme price fluctuations due to seasonal shifts, climate conditions, the price of feed, industry demand, energy demand and other factors. Our ability to forecast and manage our commodities could significantly affect our gross margins. Tariffs and agricultural labor shortages resulting from changes in immigration policies may also increase commodities costs. Energy prices can also affect our operating results because increased energy prices may cause increased transportation costs for beef and other commodities and supplies, and increased costs for the utilities required to run each restaurant. Historically we have passed increased commodity and other costs on to our customers by increasing the prices of our menu items. While we believe these price increases have historically not affected customer traffic, there can be no assurance that additional price increases would not affect future customer traffic. If prices increase in the future and we are unable to anticipate or mitigate these increases, or if there are shortages for beef, our business and results of operations would be adversely affected.

The imposition of new or increased tariffs could adversely affect our business and results of operations.

Recently, the U.S. government has announced significantly increased tariffs on foreign imports into the U.S. from certain countries, including Canada, China, and Mexico, and has made announcements regarding the potential imposition of tariffs on products from other jurisdictions, such as the European Union. Certain of our restaurant supplies, food and beverages are sourced from outside the U.S., in particular alcoholic beverages sourced from Mexico, and may be subject to these tariffs. If these tariffs are imposed, or if retaliatory trade measures are taken by foreign countries in response to additional tariffs, it could have the impact of increasing the aggregate purchase cost of those commodities or reducing the supply of available commodities. We may be required to raise our menu prices to offset increased cost, which may negatively impact our restaurant traffic, or incur additional expenses. Any such changes could have an adverse effect on our business and results of operations.

Strategy and Operations

Unsuccessful implementation of any or all of the initiatives of our business strategy, including opening new restaurants and attracting new F&B hospitality service opportunities, could negatively impact our operations.

One key element of our growth strategy is opening new restaurants and F&B hospitality services locations. We believe there are opportunities to add approximately seven to twelve new locations (restaurants and/or hospitality services operations) annually, with a focus on operating under licensing or management agreements (referred to as our “capital light strategy”). However, there can be no assurance that we will be able to open new restaurants or F&B hospitality services locations at the rate that we currently expect.

Our success in growing our business through the opening of new restaurants and F&B hospitality locations is dependent upon a number of factors, including our ability to: cost-effectively operate in markets that we are not familiar with, find suitable license and food and beverage partners, find suitable locations, reach acceptable lease terms, maintain adequate capital, find qualified contractors, obtain licenses and permits, manage construction and development costs, recruit and train appropriate staff and properly manage the new venue. Unanticipated costs or delays in the development or construction of future restaurants could impede our ability to open new restaurants timely and cost-effectively, which could have a negative impact on our business, financial condition and results of operations. Specifically, some of the factors that adversely affect the cost and time associated with the development and construction of our restaurants include: labor disputes, shortages of materials or skilled labor, adverse weather conditions, unforeseen engineering problems, environmental problems, construction or zoning problems, local government regulations, modifications in design, and other unanticipated increases in cost.

Additionally, our restaurants are expensive to build, and we, our managed unit partners and our licensees incur significant capital and pre-opening expenses. Our business and profitability may be adversely affected if the “ramp-up” period for a new location lasts longer than we expect or if the profitability of a new location dips after our initial “ramp-up” marketing program ends. New locations may not be profitable, and their sales performance may not follow historical or projected patterns. If we are forced to close any new restaurants, we will incur losses for certain buildout costs and pre-opening expenses incurred in connection with opening such operations.

We face a variety of risks associated with doing business with licensees and franchisees.

We rely in part on our licensees and franchisees and the manner in which they operate the STK and Benihana restaurants to develop and promote our business. As of December 31, 2024, we had five licensed STK restaurants and eleven franchised Benihana restaurants.

Our licensees and franchisees are required to operate our restaurants according to the specific guidelines we set forth, which are essential to maintaining brand integrity and reputation, as well as in accordance with all laws and regulations applicable to us, and all laws and regulations applicable in the countries in which we operate. We provide training to these licensees and franchisees to integrate them into our operating strategy and culture. However, since we do not have day-to-day control over these restaurants, we cannot give assurance that there will not be differences in product and service quality, operations, labor law enforcement, marketing or profitability or that there will be adherence to all of our guidelines and applicable laws. In addition, if our licensees and franchisees fail to make investments necessary to maintain or improve the restaurants, guest preference for our brand could suffer. Our licensees and franchisees are subject to business risks similar to those we face such as competition; customer acceptance; fluctuations in the cost, quality and availability of raw ingredients; increased labor costs; difficulty obtaining acceptable site leases; and difficulty obtaining proper financing. Failure of licensed or franchised restaurants to operate effectively could adversely affect our cash flows or royalties, as applicable, from those operations or have a negative impact on our reputation and our business.

The success of our licensed and franchised restaurants depends on our ability to establish and maintain good relationships with our licensees and franchisees. The value of our brand and the rapport that we maintain with our licensees and franchisees are important factors for potential licensees and franchisees considering doing business with us. If we are unable to maintain good relationships with licensees and franchisees, we may be unable to renew license and franchise agreements and opportunities for developing new relationships with additional licensees and franchisees may be adversely affected. This, in turn, could have an adverse effect on our results of operations. Although we have developed criteria to evaluate and screen prospective developers, licensees and franchisees, we cannot be certain that the developers, licensees and franchisees we select will have the business acumen necessary to open and operate successful restaurants in their areas, or that the licensees and franchisees, once selected, will be able to negotiate acceptable lease or purchase terms for prospective sites or to obtain the necessary approvals for such sites, or that financing will be available to construct and open new venues.

To the extent that our operations are located in hotels, casinos or similar destinations, our results of operations and growth are subject to the risks facing such venues.

Our ability to grow and realize profits from our operations in hotels, casinos and other branded or destination venues are dependent on the success of such venues' business. We are subject to the actions and business decisions of our partners and third parties, in which we may have little or no influence in the overall operation of the applicable venue and such actions and decisions could have an adverse effect on our business and operations.

Litigation and Brand Risk

We face the risk of adverse publicity in connection with our operations, including as a result of increased social media usage.

The quality of our food and ambiance of our restaurants are two of our competitive strengths. Therefore, adverse publicity, whether accurate or not, relating to food quality, public health concerns, illness, safety, injury or government or industry findings concerning our venues or those operated by others could negatively impact us. Any shifts in consumer preferences away from the kinds of food or beverages we offer, particularly beef or alcohol, whether because of dietary or health reasons, sustainability concerns or otherwise, would make our restaurants less appealing and could reduce customer traffic and/or impose practical limits on pricing.

The use of social media platforms allows individuals to access a broad audience of consumers and other interested persons. Consumers value readily available information concerning goods and services that they have or plan to purchase and may act on such information without further investigation or authentication. Many social media platforms immediately publish content from their subscribers and participants, often without filters or checks on the accuracy of the content posted. Information concerning our company may be posted on such platforms at any time. If customers perceive or experience a reduction in our food quality, service or ambiance or in any way believe we have failed to deliver a consistently positive experience, this information can be immediately and broadly disseminated. This information may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business.

We face the risk of litigation in connection with our operations.

We are, from time to time, the subject of complaints or litigation from our consumers alleging, among other things, illness, injury or other food quality, health or operational concerns. The inappropriate use of social media by our employees or customers could lead to litigation and result in negative publicity that could damage our reputation. In addition, third party and employee claims against us based on, among other things, alleged discrimination, harassment or wrongful termination, or labor code violations may divert financial and management resources that would otherwise be used to benefit our future performance. Regardless of whether any claims against us are valid or whether we are liable, such claims may be expensive to defend and may divert time and money away from our operations. In addition, they may generate negative publicity, which could reduce customer traffic and sales. Although we maintain what we believe to be adequate levels of insurance commensurate with the nature and extent of our operations, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these matters. A significant increase in the number of these claims or in the number of such claims that are successful could materially adversely affect our brand, financial condition or operating results. Like most employee practices liability insurance policies, our policy does not provide protection against wage and hour claims, and therefore litigation in this area could adversely impact our financial condition.

We may not be able to protect our brands, trademarks, service marks or other proprietary rights.

We have registered, or have applications pending to register, the trademarks STK, Benihana, Kona Grill, RA Sushi and Konavore with the United States Patent and Trademark Office and in certain foreign countries in connection with restaurant services. Our brands, which include our trademarks, service marks and other intellectual property and proprietary rights, are important to our success and our competitive position. In that regard, we believe that our trade names, trademarks and service marks are valuable assets that are critical to our success. Accordingly, we devote substantial resources to the establishment and protection of our brands. However, the actions we take may be inadequate to prevent imitation of our products and concepts by others, to prevent various challenges to our registrations or applications or denials of applications for the registration of trademarks, service marks and proprietary rights in the U.S. or other countries, or to prevent others from claiming violations of their trademarks and proprietary marks. In addition, others may assert rights in our trademarks, service marks and other proprietary rights or may assert that we are infringing rights they have in their trademarks, service marks, patents or other proprietary rights. Any such disputes could force us to incur costs related to enforcing our rights. In addition, the use of trade names, trademarks or service marks similar to ours in some markets may keep us from entering those markets.

Each of our intellectual property marks is pledged as collateral securing our secured indebtedness. Default under our debt agreements could enable the lenders to sell (at auction or otherwise) our trademarks, which would have a material adverse effect on our ability to continue our business.

Negative publicity relating to a Benihana restaurant operated by an unrelated entity may have a material adverse effect on our business and results of operations.

Other entities, with which we have no relations or affiliation, operate restaurants under the Benihana brand in foreign jurisdictions, including in Japan. The integrity and strength of the Benihana brand will depend in part on these other entities and how the brand is used, promoted and protected by them, which is outside of our control. For example, negative publicity or events relating to food quality, public health concerns, restaurant facilities, customer complaints or litigation alleging illness or injury, health inspection scores, employee relationships or other matters, regardless of whether the allegations are valid, affecting or occurring at other entities who use the Benihana brand, including entities unrelated to us that presently or in the future may license the Benihana brand, may negatively impact the public’s perception of Benihanas. Such negative publicity may extend beyond that restaurant involved to affect some or all of our Company-owned and franchised Benihana restaurants, which may have a material adverse effect on our business and results of operations. The risk of negative publicity is particularly great with respect to Benihana restaurants operated by an unrelated entity because we have no control over such entities’ operations and messaging, especially on a real-time basis.

Cybersecurity and IT Systems

Security breaches, loss of data and other disruptions could compromise sensitive information related to our business, prevent us from accessing critical information or expose us to liability, which could adversely affect our business and our reputation.

We utilize information technology systems and networks to process, transmit and store electronic information in connection with our business activities. As the use of digital technologies has increased, cyber incidents, including deliberate attacks and attempts to gain unauthorized access to computer systems and networks, have increased in frequency and sophistication. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data, all of which are vital to our operations and business strategy. There can be no assurance that we will be successful in preventing cyber-attacks or successfully mitigating their effects.

We estimate that approximately 79% of our sales are by credit or debit cards. Other restaurants and retailers have experienced security breaches in which credit and debit card information has been stolen. We may in the future become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and we may also be subject to lawsuits or other proceedings relating to these types of incidents.

The scope and severity of risks posed to our systems from cyber threats has increased. Many of our information technology systems, including those used for our point-of-sale, delivery services and administrative functions, contain personal, financial or other information that is entrusted to us by our guests, vendors and employees. Many of our information technology systems also contain confidential information about our business, such as business strategies, development initiatives and designs. To date, these attacks have not had a material impact on our operations, but we cannot provide assurance that they will not have an impact in the future.

Our third-party providers' information technology systems and databases are likewise subject to such risks. We provide some guest and employee data, as well as confidential information important to our business, to third parties to conduct our business. Individuals performing work for us and these third parties also may access some of this data, including on personally owned digital devices. To the extent we, a third party or such an individual were to experience a breach of our or their information technology systems that results in the unauthorized access, theft, use, destruction or other compromises of customers' or employees' data or confidential information stored in or transmitted through such systems, it could result in a material loss of revenues from the potential adverse impact to our reputation and brand, a decrease in our ability to retain customers or attract new ones, the imposition of potentially significant costs (including loss of data or payment for recovery of data), loss of business, disruption to our supply chain, business and plans. Unauthorized access, theft, use, destruction or other compromises are becoming increasingly sophisticated and may occur through a variety of methods, including attacks using malicious code, vulnerabilities in software, hardware or other infrastructure (including systems used by our supply chain), system misconfigurations, phishing or social engineering. The rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks. Our logging capabilities, or the logging capabilities of third parties, are not always complete or sufficiently granular, affecting our ability to fully understand the scope of security breaches.

We rely heavily on information technology systems and failures or interruptions in our IT systems could harm our ability to effectively operate our business and/or result in the loss of guests or employees.

We rely heavily on information technology systems, including the point-of-sale and payment processing system in our restaurants, technologies supporting our digital and delivery services business, technologies that manage our supply chain, our rewards program, technologies that facilitate marketing initiatives, employee engagement and payroll processing, and various other processes and transactions. Our ability to effectively manage our business and coordinate the procurement, production, distribution, safety and sale of our products depends significantly on the availability, reliability and security of these systems. Many of these critical systems are provided and managed by third parties, and we are reliant on these third-party providers to implement protective measures that ensure the security and availability of their systems. Although we have operational safeguards in place, these safeguards may not be effective in preventing the failure of these third-party systems or platforms to operate effectively and be available. Failures may be caused by various factors, including power outages, catastrophic events, physical theft, computer and network failures, inadequate or ineffective redundancy, problems with transitioning to upgraded or replacement systems or platforms, flaws in third-party software or services, errors or improper use by our employees or the third-party service providers. If any of our critical IT systems were to become unreliable, unavailable, compromised or otherwise fail, and we were unable to recover in a timely manner, we could experience an interruption in our operations that could have a material adverse impact on our profitability.

Other Risks

We have a debt financing arrangement and preferred stock outstanding that could have a material adverse effect on our financial health and our ability to obtain financing in the future and may impair our ability to react quickly to changes in our business.

In connection with our acquisition of Safflower Holdings Corp., on May 1, 2024, we entered into a credit agreement pursuant to which we borrowed $350 million as a term loan and have a $40 million revolving credit facility available. On that same date we also issued shares of the Company's Series A Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock") for $160 million that has a compounding dividend initially at 13% and which increases over time at specified intervals and which is mandatorily redeemable, at the option of the holders of a majority of such shares, after a specified period in specified circumstances. Our exposure to these financing obligations could limit our ability to satisfy our other obligations, limit our ability to operate our business and impair our competitive position. For example, they could:

- increase our vulnerability to adverse economic and industry conditions, including interest rate fluctuations, because the revolving loan portion of our borrowings are at variable rates of interest;
- require us to dedicate significant future cash flows to the repayment of debt or redemption of the preferred stock, reducing the availability of cash to fund working capital, capital expenditures or other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- limit our ability to obtain additional debt or equity financing, or undertake certain other activities, due to applicable financial and restrictive covenants contained in our debt and preferred stock arrangements.

We may also incur additional indebtedness in the future, which could materially increase the impact of these risks on our financial condition and results of operations.

We may not be able to refinance our debt obligations or the redemption of our preferred stock. Failure to successfully refinance these obligations could have a material adverse effect on our business, financial condition and results of operations.

Our acquisition of Safflower Holdings Corp., as well as any future acquisitions, may have unanticipated consequences that could harm our business and our financial condition.

Our acquisition of Safflower Holdings Corp. and any other acquisition that we pursue, whether successfully completed or not, involves risks, including:

- material adverse effects on our operating results, particularly in the fiscal quarters immediately following the acquisition as the acquired restaurants are integrated into our operations;
- risks associated with entering into markets or conducting operations where we have no or limited prior experience;
- problems retaining key personnel;
- potential impairment of tangible and intangible assets and goodwill acquired in the acquisition;
- potential unknown liabilities;
- difficulties of integration and failure to realize anticipated synergies; and
- disruption of our ongoing business, including diversion of management's attention from other business concerns.

Future acquisitions, which may be accomplished through a cash purchase transaction, the issuance of our equity securities or a combination of both, could result in potentially dilutive issuances of our equity securities, the incurrence of debt and contingent liabilities and impairment charges related to goodwill and other intangible assets, any of which could harm our business and financial condition.

Our operations may be negatively impacted by seasonality, adverse weather conditions, natural disasters or acts of terror.

Our business is subject to seasonal fluctuations, adverse weather conditions and natural disasters that may at times affect the regions in which our restaurants and F&B hospitality services operations are located, regions that supply or produce food products for our restaurants, or locations of our distribution network. As a result of the seasonality of our business due to weather, holiday events and other factors, our quarterly results for any one quarter or fiscal year may not be indicative of results to be expected for any other quarter or for any year.

In addition, if adverse weather conditions or natural disasters such as fires and hurricanes affect our restaurants, we could experience closures, repair and restoration costs, food spoilage, and other significant reopening costs, any of which would adversely affect our business. We could also experience shortages or delayed shipments at our restaurants if adverse weather or natural disasters affect our distribution network, which could adversely affect our restaurants and our business as a whole. Additionally, during periods of extreme temperatures (either hot or cold) or precipitation, we may experience a reduction in customer traffic, which could adversely affect our restaurants and our business as a whole. Weather conditions are impossible to predict as is the negative impact on our business that such conditions might cause. Catastrophic weather conditions are likely to affect the supply of and costs for food products. If we do not anticipate or react to changing food costs by adjusting our purchasing practices or menu prices, our operating margins would likely deteriorate.

Terrorism, including cyber-terrorism or efforts to tamper with food supplies, could have an adverse impact on our brand and results of operations.

We are subject to numerous and changing U.S. federal and foreign government regulations. Failure to comply with or substantial changes in government regulations could negatively affect our sales, increase our costs or result in fines or other penalties against us.

Each of our venues is subject to licensing and regulation by the health, sanitation, safety, labor, building environmental (including disposal, pollution, and the presence of hazardous substances) and fire agencies of the respective states, counties, cities, and municipalities in which it is located, as well as under federal law. These regulations govern the preparation and sale of food, the sale of alcoholic beverages, the sale and use of tobacco, zoning and building codes, land use and employee, health, sanitation and safety matters. Alcoholic beverage control regulations govern various aspects of our restaurants' daily operations, including the minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing and inventory control, handling and storage. Typically, our restaurants' licenses to sell alcoholic beverages must be renewed annually and may be suspended or revoked at any time for cause. A failure to comply with one or more regulations could result in the imposition of sanctions, including the closing of venues for an indeterminate period of time, or third-party litigation, any of which could have a material adverse effect on us and our results of operations.

Our foreign operations are subject to all of the same risks as our domestic restaurants and food and beverage hospitality services operations, and additional risks that include, among others, international economic and political conditions and the possibility of instability and unrest, differing cultures and consumer preferences, diverse government regulations and tax systems, the ability to source fresh ingredients and other commodities in a cost-effective manner and the availability of experienced management.

We are subject to governmental regulation in the domestic and international jurisdictions where we operate, including antitrust and tax requirements, anti-boycott regulations, import/export/customs regulations and other international trade regulations, the USA PATRIOT Act and the Foreign Corrupt Practices Act. Any new regulatory or trade initiatives could impact our operations in certain countries. Failure to comply with any such legal requirements could subject us to monetary liabilities and other sanctions, which could harm our business, results of operations and financial condition.

We may not be able to comply with certain debt covenants on our debt.

The revolving credit facility component of our credit agreement requires us to maintain compliance with a consolidated total net leverage ratio once we have drawn 35% of the revolving facility's capacity. Our ability to comply with this covenant may be affected by events beyond our control. If we were to default under this covenant and such default was not cured or waived, our indebtedness could become immediately due and payable and our business and results of operations could be adversely affected.

Failure of our internal controls over financial reporting could harm our business and financial results.

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. A significant financial reporting failure or material weakness in internal control over financial reporting could cause a loss of investor confidence and decline in the market price of our stock.

On May 1, 2024, we completed the Benihana Acquisition and have implemented new processes and internal controls to assist us in the preparation and disclosure of financial information. We cannot be certain that we will be able to maintain adequate controls over our financial processes and reporting. Refer to Part II —Item 9A, "Controls and Procedures" of this Annual Report on Form 10-K for management's assessment as of December 31, 2024. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. A significant financial reporting failure or material weakness in internal control over financial reporting could cause a loss of investor confidence and decline in the market price of our stock, and we could be subject to sanctions or investigation by regulatory authorities, such as the SEC or Nasdaq.

Insiders have substantial control over us, and they could delay or prevent a change in our corporate control even if our other stockholders wanted it to occur.

Our executive officers, directors, and principal stockholders hold a significant percentage of our outstanding common stock. Accordingly, these stockholders are able to control or have a significant impact on all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This could delay or prevent an outside party from acquiring or merging with us even if our other stockholders affirmed such action. In addition, such concentrated control may adversely affect the price of our common stock and sales by our insiders or affiliates, along with any other market transactions, could affect the market price of our common stock.

Provisions in our amended and restated certificate of incorporation, our bylaws and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our common stock and could entrench management.

Our amended and restated certificate of incorporation and our bylaws contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. Our Board of Directors (the "Board") is divided into three classes, each of which generally serve for a term of three years with only one class of directors being elected each year. As a result, at a given annual meeting, only a minority of the Board may be considered for election. Since our staggered Board may prevent our stockholders from replacing a majority of our Board at any given annual meeting, it may entrench management and discourage unsolicited stockholder proposals that may be in the best interests of stockholders.

Moreover, our Board has the ability to designate the terms of and issue new series of preferred stock without stockholder approval. Under the terms of our amended and restated certificate of incorporation, our Board may authorize and issue up to 10,000,000 shares of one or more series or class of preferred stock with rights superior to those of holders of common stock in terms of liquidation and dividend preference, voting and other rights. Currently 9,840,000 shares of preferred stock are available to authorize and issue. The issuance of preferred stock would reduce the relative rights of holders of common stock vis-à-vis the holders of preferred stock without the approval of the holders of common stock. In addition, to the extent that such preferred stock is convertible into shares of common stock, its issuance would result in a dilution of the percentage ownership of holders of common stock on a fully diluted basis. In addition, the issuance of a series of preferred stock could be used as a method of discouraging, delaying or preventing a change in control of our company.

We are also subject to the anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve a payment of a premium over prevailing market prices for our securities.

The price of our common stock could be subject to volatility related or unrelated to our operations.

The trading price of our common stock could fluctuate significantly due to a number of factors, including market perception of our ability to meet our growth projections and expectations, quarterly operating results of other companies in the same industry, trading value in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting our business and the business of others in the industry. In addition, the stock market itself is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons related and unrelated to their operating performance and could have the same effect on our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Our enterprise risk management framework considers cybersecurity risk alongside other company risks as part of our overall risk assessment process. In the ordinary course of our business, we receive, process and use large amounts of data. Digital data is stored and backed up with third party partners. Maintaining the integrity and availability of our information technology systems and this information, as well as appropriate limitations on access and confidentiality of such information, is important to our operations and business strategy. We implemented a program designed to assess, identify and manage risks from potential unauthorized occurrences on or through our information technology systems that may result in adverse effects on the confidentiality and integrity of these systems and the data residing in them. With the exception of local point-of-sale solutions, we do not host any solutions on premise as all applications are software as a service.

The program is managed and monitored by a team led by our Chief Information Officer and includes mechanisms, controls, technologies, systems, policies and other processes designed to prevent or mitigate data loss, theft, misuse, or other security incidents or vulnerabilities affecting the systems and data residing in them. For example, we conduct risk-based penetration and vulnerability testing and ongoing risk assessments. We also conduct employee training on cyber and information security, among other topics. In addition, we consult with outside advisors and experts to assist with assessing, identifying, and managing cybersecurity risks and their impact on our risk environment. Lastly, we outsource to a cybersecurity firm all intrusion detection, intrusion prevention and system incident and event monitoring.

Our Chief Information Officer, who reports directly to the Chief Executive Officer and has over 25 years of experience managing information technology and cybersecurity matters, together with our third-party service providers, are responsible for assessing and managing cybersecurity risks. We consider cybersecurity, along with other significant risks that we face, within our overall enterprise risk management framework. In the last fiscal year, we have not identified any prior cybersecurity incidents that materially affected us, but we face certain ongoing risks from cybersecurity threats that, if realized, could materially affect us. Additional information on cybersecurity risks we face is discussed in Part I, Item 1A, “Risk Factors,” under the heading “Cybersecurity, Data Privacy and IT Systems.”

The Board of Directors, as a whole and at the committee level, has oversight for the most significant risks facing us and for our processes to identify, prioritize, assess, manage, and mitigate those risks. The Audit Committee, which is comprised solely of independent directors, has been designated by our Board to oversee cybersecurity risks. The Committee receives regular updates and reviews with management the implementation and effectiveness of the Company’s controls to monitor and mitigate cybersecurity risks.

Item 2. Properties

We do not own any real property. Each of our "owned" restaurants operates in premises leased by its operating subsidiary. We do not have a direct ownership interest in restaurants we operate under a management agreement ("managed"), license agreement ("licensed") or franchise agreement ("franchised").

Our STK locations are as follows:

Venue	Hotel/Casino/Special Venue	Location	Type of Interest
STK Atlanta	—	Atlanta, Georgia	Owned
STK Aventura	Aventura Mall	Aventura, Florida	Owned
STK Bellevue	—	Bellevue, Washington	Owned
STK Boston	—	Boston, Massachusetts	Owned
STK Charlotte	—	Charlotte, North Carolina	Owned
STK Chicago	—	Chicago, Illinois	Owned
STK Dallas	—	Dallas, Texas	Owned
STK Denver	—	Denver, Colorado	Owned
STK Doha	The Ritz-Carlton	Doha, Qatar	Licensed
STK Downtown (1)	—	New York, New York	Owned (2)
STK Dubai	Jumeirah Beach Residence	Dubai, United Arab Emirates	Licensed
STK Ibiza	Ibiza Corso Hotel & Spa	Illes Balears, Spain	Licensed
STK Las Vegas	The Cosmopolitan	Las Vegas, Nevada	Managed
STK London	ME London	London, England	Managed
STK Los Cabos	Los Cabos Airport	Cabo San Lucas, Mexico	Licensed
STK Miami Beach	—	Miami Beach, Florida	Owned
STK Midtown	—	New York, New York	Owned
STK Milan	ME Milan	Milan, Italy	Managed
STK Nashville	—	Nashville, Tennessee	Owned
STK Niagara Falls	Embassy Suites	Ontario, Canada	Managed
STK Orlando (1)	Disney Springs	Orlando, Florida	Owned
STK Salt Lake City	—	Salt Lake City, Utah	Owned
STK San Diego (1)	Andaz Hotel	San Diego, California	Owned
STK San Juan	Condado Vanderbilt Hotel	San Juan, Puerto Rico	Licensed
STK San Francisco	—	San Francisco, California	Owned
STK Scottsdale (1)	—	Scottsdale, Arizona	Managed
STK Stratford	The Gantry London	London, England	Managed
STK Toronto	—	Toronto, Canada	Managed
STK Westwood	W Hotel	Los Angeles, California	Owned
STK Washington DC	Marriot Marquis	Washington, D.C.	Owned

(1) Location includes an owned rooftop lounge, except for the STK Rooftop San Diego which is a licensed location and STK Rooftop Scottsdale which is a managed location.
(2) Ownership in location is 64.81%.

Our Benihana locations are as follows:

Venue	Location	Type of Interest
Benihana Addison Walk	Dallas, Texas	Owned
Benihana Alpharetta	Alpharetta, Georgia	Owned
Benihana Anaheim	Anaheim, California	Owned
Benihana Anchorage	Anchorage, Alaska	Owned
Benihana Atlanta I	Atlanta, Georgia	Owned
Benihana Beaverton	Beaverton, Oregon	Owned
Benihana Bethesda II	Bethesda, Maryland	Owned
Benihana Boca Raton	Boca Raton, Florida	Owned
Benihana (Express) Brickell Miami	Miami, Florida	Franchised
Benihana Broomfield	Broomfield, Colorado	Owned
Benihana Burlingame	Burlingame, California	Owned
Benihana Carlsbad	Carlsbad, California	Owned
Benihana Chandler	Chandler, Arizona	Owned
Benihana Cherry Hill	Cherry Hill, New Jersey	Owned
Benihana Cincinnati I	Cincinnati, Ohio	Owned
Benihana Cleveland	Cleveland, Ohio	Owned
Benihana Columbus	Columbus, Ohio	Owned
Benihana Concord	Concord, California	Owned
Benihana Conroe	Conroe, Texas	Owned
Benihana Coral Gables	Coral Gables, Florida	Owned
Benihana Coral Springs	Coral Springs, Florida	Owned
Benihana Cupertino	Cupertino, California	Owned
Benihana Dallas	Dallas, Texas	Owned
Benihana Dearborn	Dearborn, Michigan	Owned
Benihana Denver	Denver, Colorado	Owned
Benihana Downey	Downey, California	Owned
Benihana Dulles	Dulles, Virginia	Owned
Benihana Edison	Edison, New Jersey	Franchised
Benihana Encino	Encino, California	Owned
Benihana Farmington Hills	Farmington Hills, Michigan	Owned
Benihana Ft. Lauderdale	Fort Lauderdale, Florida	Owned
Benihana Hard Rock Stadium(1)	Miami Gardens, Florida	Owned
Benihana Houston I	Houston, Texas	Owned
Benihana Houston II	Houston, Texas	Owned
Benihana Indianapolis	Indianapolis, Indiana	Owned
Benihana Jardim Europa	Jardim Europa, Brazil	Franchised
Benihana John Hancock	Chicago, Illinois	Owned
Benihana Key West	Key West, Florida	Franchised
Benihana Las Colinas	Las Colinas, Texas	Owned
Benihana Las Vegas	Las Vegas, Nevada	Owned
Benihana Las Vegas	Las Vegas, Nevada	Franchised
Benihana Little Rock	Little Rock, Arkansas	Franchised
Benihana Lombard	Lombard, Illinois	Owned
Benihana Mall Of America	Bloomington, Minnesota	Owned
Benihana Manhasset	Manhasset, New York	Owned
Benihana Maple Grove	Maple Grove, Minnesota	Owned
Benihana Memphis	Memphis, Tennessee	Owned
Benihana Miami Beach	Miami Beach, Florida	Owned
Benihana Miami-S	Miami, Florida	Owned
Benihana Milwaukee	Milwaukee, Wisconsin	Franchised
Benihana Minneapolis	Minneapolis, Minnesota	Owned
Benihana Miramar	Miramar, Florida	Owned
Benihana Monterrey II	Monterey, California	Franchised
Benihana Newport Beach	Newport Beach, California	Owned

Benihana NY West	New York, New York	Owned
Benihana Ontario	Ontario, California	Owned
Benihana Orlando	Orlando, Florida	Owned
Benihana Orlando II	Orlando, Florida	Owned
Benihana Palm Beach	Palm Beach, Aruba	Franchised
Benihana Panama City	Panama City, Panama	Franchised
Benihana Pittsburgh	Pittsburgh, Pennsylvania	Owned
Benihana Plano	Plano, Texas	Owned
Benihana Plymouth Meeting	Plymouth Meeting, Pennsylvania	Owned
Benihana Puente Hills	Puente Hills, California	Owned
Benihana Salt Lake City	Salt Lake City, Utah	Owned
Benihana San Diego	San Diego, California	Owned
Benihana San Francisco	San Francisco, California	Owned
Benihana San Salvador	San Salvador, El Salvador	Franchised
Benihana Santa Anita	Santa Anita, California	Owned
Benihana Santa Monica	Santa Monica, California	Owned
Benihana Schaumburg	Schaumburg, Illinois	Owned
Benihana Scottsdale	Scottsdale, Arizona	Owned
Benihana Short Hills	Short Hills, New Jersey	Owned
Benihana Sprint Center	Kansas City, Missouri	Owned
Benihana Stuart	Stuart, Florida	Owned
Benihana Sugar Land	Sugar Land, Texas	Owned
Benihana Talking Stick Resort Arena(1)	Phoenix, Arizona	Owned
Benihana Temecula	Temecula, California	Owned
Benihana Torrance	Torrance, California	Owned
Benihana Troy	Troy, Michigan	Owned
Benihana Westbury	Westbury, New York	Owned
Benihana Wheeling	Wheeling, Illinois	Owned
Benihana Woodlands	Woodlands, Texas	Owned
Benihana Yankee Stadium(1)	New York, New York	Owned

(1) Located within a sports arena

Our Grill Concepts locations are as follows:

Venue	Location	Type of Interest
Kona Grill Alpharetta	Alpharetta, Georgia	Owned
Kona Grill Baltimore	Baltimore, Maryland	Owned
Kona Grill Boca Park	Las Vegas, Nevada	Owned
Kona Grill Boise	Meridian, Idaho	Owned
Kona Grill Carmel	Carmel, Indiana	Owned
Kona Grill Cincinnati	Cincinnati, Ohio	Owned
Kona Grill Columbus	Columbus, Ohio	Owned
Kona Grill Dallas	Dallas, Texas	Owned
Kona Grill Denver	Denver, Colorado	Owned
Kona Grill Eden Prairie	Eden Prairie, Minnesota	Owned
Kona Grill El Paso	El Paso, Texas	Owned
Kona Grill Gilbert	Gilbert, Arizona	Owned
Kona Grill Huntsville	Huntsville, Alabama	Owned
Kona Grill Kansas City	Kansas City, Missouri	Owned
Kona Grill Minnetonka	Minnetonka, Minnesota	Owned
Kona Grill North Star	San Antonio, Texas	Owned
Kona Grill Oak Brook	Oak Brook, Illinois	Owned
Kona Grill Omaha	Omaha, Nebraska	Owned
Kona Grill Phoenix	Phoenix, Arizona	Owned
Kona Grill Plano	Plano, Texas	Owned
Kona Grill Riverton	Riverton, Utah	Owned
Kona Grill San Antonio	San Antonio, Texas	Owned
Kona Grill Sarasota	Sarasota, Florida	Owned
Kona Grill Tampa	Tampa, Florida	Owned
Kona Grill Tigard	Tigard, Oregon	Owned
Kona Grill Troy	Troy, Michigan	Owned
Kona Grill Woodbridge	Iselin, New Jersey	Owned
RA Sushi Addison	Addison, Texas	Owned
RA Sushi Ahwatukee	Phoenix, Arizona	Owned
RA Sushi Chino Hills	Chino Hills, California	Owned
RA Sushi Downtown Austin	Austin, Texas	Owned
RA Sushi Houston	Houston, Texas	Owned
RA Sushi Houston II	Houston, Texas	Owned
RA Sushi Las Vegas	Las Vegas, Nevada	Owned
RA Sushi Leawood	Leawood, Kansas	Owned
RA Sushi Mesa	Mesa, Arizona	Owned
RA Sushi North Scottsdale	Scottsdale, Arizona	Owned
RA Sushi Pembroke Pines	Pembroke Pines, Florida	Owned
RA Sushi Plantation Walk	Plantation, Florida	Owned
RA Sushi Scottsdale	Scottsdale, Arizona	Owned
RA Sushi Southlake	Southlake, Texas	Owned
RA Sushi Times Square	New York, New York	Owned
RA Sushi Tucson	Tucson, Arizona	Owned

Our ONE Hospitality brands and F&B services locations are as follows:

Venue	Hotel/Casino/Special Venue	Location	Type of Interest
Bao Yum[1]	—	London, England	Owned
F&B Services - Hippodrome	Hippodrome Casino	London, England	Managed
F&B Services - ME Milan	ME Milan	Milan, Italy	Managed
F&B Services - W Hotel	W Hotel	Los Angeles, California	Owned
Heliot	Hippodrome Casino	London, England	Managed
Hideout	W Hotel	Los Angeles, California	Owned
Radio Rooftop Bar	ME Milan	Milan, Italy	Managed
Rivershore Bar & Grill	Rivershore BW Plus	Oregon City, Oregon	Managed
Salt Water Social	—	Denver, Colorado	Owned

(1) Temporary location

In addition to the locations above, we lease office space for support offices in Denver, Colorado; New York, New York; Scottsdale, Arizona; Aventura, Florida; and London, England.

Item 3. Legal Proceedings

We are subject to claims common to our industry and in the ordinary course of our business. Companies in our industry, including us, have been and are subject to class action lawsuits, primarily regarding compliance with labor laws and regulations. Defending lawsuits requires significant management attention and financial resources and the outcome of any litigation is inherently uncertain. We believe that accruals for these matters are adequately provided for in our consolidated financial statements. We may have to make payments from time to time to settle or resolve legal matters. We do not believe the ultimate resolutions of these matters will have a material adverse effect on our consolidated financial position and results of operations. However, the resolution of lawsuits is difficult to predict. A significant increase in the number of these claims, or one or more successful claims under which we incur greater liabilities than is currently anticipated, could materially and adversely affect our consolidated financial statements.

For information regarding litigation refer to Note 17. “Commitments and Contingencies” in our consolidated financial statements included in Item 15. “Financial Statements and Supplementary Data.” For more information about the impact of legal proceedings in our business, see Item 1A. “Risk Factors”.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is traded on the NASDAQ Capital Market under the symbol "STKS". As of February 28, 2025, there were 68 holders of record of our common stock. This does not include persons whose stock is in nominee or “street name” accounts through brokers.

Dividends

We have not declared or paid any cash dividends on our common stock and do not intend to declare or pay any cash dividend in the foreseeable future. The payment of dividends, if any, is within the discretion of our Board of Directors and will depend on our earnings, our capital requirements, compliance with debt covenants, overall financial condition and such other factors as the Board of Directors may consider. As a Delaware corporation, we are also limited by Delaware law as to the payment of dividends. We currently intend to retain our earnings to finance our growth.

Issuer Purchases of Equity Securities

In September 2022, the Company’s Board of Directors authorized a repurchase program of up to $10.0 million of outstanding common stock. In May 2023, the Company’s Board of Directors authorized an additional $5.0 million to this program. In March 2024, the Company’s Board of Directors authorized an additional $5.0 million of repurchases under this program.

During 2024, 2023 and 2022, the Company purchased 0.7 million, 1.2 million and 1.1 million shares for aggregate consideration of $3.2 million, $7.9 million and $7.1 million, respectively. As of December 31, 2024, the Company had repurchased 3.0 million shares for $18.2 million under the program. During the fourth quarter of 2024, there was no share repurchase activity.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis of our consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes to those statements included elsewhere in this Annual Report on Form 10-K.

Overview

We currently own, operate, manage, license or franchise 166 venues including 30 STKs, 84 Benihanas, 27 Kona Grills and 16 RA Sushis in major metropolitan cities in North America, Europe, Latin America and the Middle East and 9 F&B venues in four hotels and casinos in the United States and Europe.

We opened the following six new venues in 2024:

- Owned STK restaurant in Washington, D.C.
- Owned STK restaurant in Aventura, Florida
- Managed STK restaurant at Niagara Falls in Ontario, Canada
- Owned Kona Grill restaurant in Tigard, Oregon
- Owned RA Sushi restaurant in Plantation, Florida
- Owned Salt Water Social restaurant in Denver, Colorado

We intend to add five to seven new venues in 2025.

There are currently two Company-owned STK restaurants, one Company-owned Benihana, one Company-owned Kona Grill restaurant and one franchised Benihana (Express) restaurant under construction in the following cities:

- Owned STK restaurant in Los Angeles, California
- Owned STK restaurant in Topanga, California
- Owned Benihana restaurant in San Mateo, California
- Owned Kona Grill restaurant in Seattle, Washington
- Franchised Benihana (Express) restaurant in Miami, Florida

The table below reflects our venues by restaurant brand and geographic location:

	Venues				
	STK[(1)]	Benihana	Grill Concepts	ONE Hospitality[(2)]	Total
Domestic					
Owned [(3)]	18	73	43	3	137
Managed	2	—	—	1	3
Licensed	1	—	—	—	1
Franchised	—	8	—	—	8
Total domestic	21	81	43	4	149
International					
Owned	—	—	—	1	1
Managed	5	—	—	4	9
Licensed	4	—	—	—	4
Franchised	—	3	—	—	3
Total international	9	3	—	5	17
Total venues	30	84	43	9	166

(1) Locations with an STK and STK Rooftop are considered one venue location. This includes the STK Rooftop in San Diego, CA, which is a licensed location.
(2) Includes concepts under the Company's F&B hospitality management agreements and other venue brands such as Salt Water Social, Bao Yum, Heliot, Hideout, Radio and Rivershore Bar & Grill.
(3) Includes Benihana locations at sports arenas

Acquisitions

On May 1, 2024, the Company acquired 100% of the issued and outstanding equity interests of Safflower Holdings Corp. from Safflower Holdings LLC for $365.0 million., subject to customary adjustments (the “Benihana Acquisition”). Safflower Holdings Corp. beneficially owns most of the Benihana restaurants, as well as all of the RA Sushi restaurants, in the United States. It also franchises Benihana locations in the U.S., Latin America (excluding Mexico) and the Caribbean.

In connection with the Benihana Acquisition, on May 1, 2024, the Company sold and issued to (a) HPC III Kaizen LP, for $150.0 million cash, subject to a 5% original issuance discount, 150,000 shares of Series A Preferred Stock, a warrant to purchase 1,786,582 shares of Common Stock of the Company for an exercise price of $0.01 per share, and a warrant to purchase 1,000,000 shares of Common Stock of the Company for an exercise price of $10.00 per share and (b) to the HPS Investors, for $10 million cash in the aggregate, subject to a 5% original issuance discount, securities allocated among the HPS Investors as follows: (i) to HPS Special Situations Opportunity Fund II, L.P., 4,309 shares of such Series A Preferred Stock in book-entry form, a warrant to purchase 51,236 shares of Common Stock of the Company for an exercise price of $0.01 per share, and a warrant to purchase 28,729 shares of Common Stock of the Company for an exercise price of $10.00 per share, (ii) to SSOF II BH US Subsidiary, L.P., 3,691 shares of such Series A Preferred Stock in book-entry form, a warrant to purchase 43,957 shares of Common Stock of the Company for an exercise price of $0.01 per share, and a warrant to purchase 24,604 shares of Common Stock of the Company for an exercise price of $10.00 per share, (iii) to HPS Corporate Lending Fund, 1,000 shares of such Series A Preferred Stock in book-entry form, a warrant to purchase 11,911 shares of Common Stock of the Company for an exercise price of $0.01 per share, and a warrant to purchase 6,667 shares of Common Stock of the Company for an exercise price of $10.00 per share, and (iv) to HPS Corporate Capital Solutions Fund, 1,000 shares of such Series A Preferred Stock in book-entry form, a warrant to purchase 11,911 shares of Common Stock of the Company for an exercise price of $0.01 per share, and a warrant to purchase 6,667 shares of Common Stock of the Company for an exercise price of $10.00 per share, in each case of clauses (a) and (b), in a private placement exempt from registration under the Securities Act of 1933, as amended.

The Series A Preferred Stock is non-voting and non-convertible; has compounding dividends that begin at a rate of 13.0% per annum and increase over time at specified intervals; is subject to optional redemption by the Company and mandatory redemption following specified events and in certain circumstances upon the exercise by the holders of a majority of the outstanding shares of Series A Preferred Stock of an option to deliver written notice to the Company to require redemption, in each case, for specified prices; and gives certain consent rights for the holders of a majority of the outstanding shares of Series A Preferred Stock for specified matters.

Additionally, in connection with the Benihana Acquisition, on May 1, 2024, the Company entered into a credit agreement with Deutsche Bank AG New York Branch, Deutsche Bank Securities Inc., HPS Investment Partners, LLC and HG Vora Capital Management, LLC (the “Credit Agreement”). The Credit Agreement provides a $350.0 million senior secured term loan facility and a $40.0 million senior secured revolving credit facility, which allows for up to $10.0 million of which will be available in the form of letters of credit. On May 1, 2024, we borrowed $350.0 million under the Term Loan Facility and the Revolving Facility was and remains undrawn.

Refer to Notes 6 and 12 to our consolidated financial statements set forth in Item 15 of this Annual Report on Form 10-K for further information regarding the Credit Facility and preferred stock financing.

2024 Financial Highlights

Total revenue increased $340.6 million, or 102.3% to $673.3 million for 2024 compared to $332.8 million for 2023. Approximately $339.7 million of the increase in total revenue was attributable to the addition of the Benihana and RA Sushi restaurants from May 1, 2024 to December 31, 2024.

Same store sales for 2024 compared to 2023 were as follows:

	2024 vs. 2023				
	Q1	Q2	Q3	Q4	YTD
US STK Owned Restaurants	(6.0)%	(11.9)%	(11.4)%	(5.0)%	(8.3)%
US STK Managed Restaurants	(8.6)%	(7.4)%	(10.3)%	(12.2)%	(9.5)%
US STK Total Restaurants	(6.8)%	(10.6)%	(11.1)%	(6.9)%	(8.7)%
Benihana Owned Restaurants	—%	(1.0)%	(4.2)%	(0.2)%	(1.8)%
Grill Concepts Owned Restaurants	(9.7)%	(13.0)%	(17.0)%	(11.7)%	(13.2)%
Combined Same Store Sales	(7.9)%	(7.0)%	(8.8)%	(4.3)%	(6.8)%

Operating income increased $1.5 million to $10.8 million for 2024 from $9.3 million for 2023 primarily due to the increase in operating income attributable to the acquired restaurants offset by transaction, transition and integration costs related to the Benihana Acquisition.

Restaurant operating profit increased $57.9 million, or 114.9% to $108.3 million for 2024 compared to $50.4 million in 2023. Restaurant operating profit as a percentage of owned restaurant net revenue was 16.4% in 2024 compared to 15.9% in 2023. Approximately $63.0 million of the increase in restaurant operating profit was attributable to the addition of the Benihana and RA Sushi restaurants from May 1, 2024 to December 31, 2024 offset by a decrease in restaurant operating profit from our existing business driven by food cost deleveraging driven by a decrease in same store sales. See “Results of Operations” below for a reconciliation of Operating income (loss), the most directly comparable GAAP measure to restaurant operating profit.

Net loss attributable to The ONE Group Hospitality, Inc was $15.8 million in 2024 compared to net income of $4.7 million in 2023 primarily due to transaction, transition and integration costs partially offset the by the income generated at the acquired restaurants.

Our Growth Strategies and Outlook

Our growth model is primarily driven by the following:

Expansion of STK. We expect to continue to expand our operations domestically and internationally through a mix of owned, licensed and managed STK restaurants using a disciplined and targeted site selection process. We have identified over 75 additional major metropolitan areas across the globe where we expect we could grow our STK brand to 200 restaurants over the foreseeable future. We expect to open four to six STKs annually, primarily through Company-owned locations and management or licensing agreements, provided that we have sufficient interest from prospective licensees, acceptable locations and quality restaurant managers available to support that pace of growth.

In 2024, we opened Company-owned STK restaurants in Washington, D.C. and Aventura, Florida. We also opened one managed STK restaurant in Ontario, Canada. Additionally, we have two STK restaurants in Topanga, California and Los Angeles, California under construction and several restaurants in the development phase or under lease that we plan to open in 2025 or 2026.

In 2023, we opened Company-owned STK restaurants in Charlotte, North Carolina, Boston, Massachusetts and Salt Lake City, Utah.

Expansion of Benihana. We expect to expand our operations domestically and internationally through a mix of owned and franchised Benihana restaurants using a disciplined and targeted site selection process. We believe we could grow the Benihana brand to 400 restaurants over the foreseeable future. We expect to open one to three Benihanas annually, primarily through Company-owned locations and franchising agreements, provided that we have sufficient interest from prospective franchisees, acceptable locations and quality restaurant managers available to support that pace of growth.

Increase Same Store Sales and Increase Our Operating Efficiency. In addition to expanding into new cities and hospitality venues, we intend to continue to increase revenue and profits in our existing operations through continued focus on high-quality, high-margin food and beverage menu items. We believe that our operating margins will improve through growth in same store sales, as defined below in Key Performance Indicators, and a reduction of store-level operating expenses.

Acquisitions. We continue to evaluate potential acquisition opportunities.

As our footprint increases, we expect to benefit by leveraging system-wide operating efficiencies and best practices through the management of our general and administrative expenses as a percentage of overall revenue.

Key Performance Indicators

We use the following key performance indicators in evaluating our restaurants and assessing our business:

Same Store Sales ("SSS"). SSS represents total food and beverage sales at domestic owned and managed restaurants opened for at least a full 24-month period at the beginning of each quarter, which removes the impact of new restaurant openings in comparing the operations of existing restaurants. For STK SSS, this measure includes total revenue from our owned and managed domestic STK locations, excluding revenues from our owned STK restaurant located in the W Hotel in Los Angeles, California due to the impact of the F&B hospitality management agreement with the hotel. Revenues from locations where we do not directly control the event sales force are excluded from this measure.

Our comparable restaurant base for STK SSS consisted of twelve domestic restaurants for the year ended December 31, 2024. For Benihana SSS, sixty-six domestic restaurants are included in the comparable restaurant base. For Grill Concepts SSS, forty domestic restaurants are included in the comparable restaurant base. STK, Benihana and Grill Concepts SSS decreased 8.7%, 1.8% and 13.2%, respectively for 2024 compared to the prior year.

Number of Restaurant Openings. Number of restaurant openings reflects the number of restaurants opened during a particular fiscal period. For each restaurant opening, we incur pre-opening costs, which are defined below. Typically, new restaurants open with an initial start-up period of higher than normalized sales volumes (also referred to in the restaurant industry as the "honeymoon" period), which decrease to a steady level approximately 24 months after opening. However, operating costs during this initial period are also higher than normal, resulting in restaurant operating margins that are generally lower during the start-up period of operation and increase to a steady level approximately to 24 months after opening. Some new restaurants may experience a "honeymoon" period that is either shorter or longer than this time frame.

In 2024, we opened three STK restaurants including two Company-owned restaurants in Washington, D.C. and Aventura, Florida and a managed STK restaurant at Niagara Falls in Ontario, Canada. We also opened one Company-owned Kona Grill restaurant in Tigard, Oregon, one Company-owned RA Sushi restaurant in Plantation, Florida and one Company-owned Salt Water Social restaurant in Denver, Colorado. In 2023, we opened three STK restaurants, three Kona Grill restaurants and two Bao Yum venues under a licensing agreement with REEF Kitchens. In 2024, the Company exited its licensing agreement with REEF Kitchens and has no venues operating pursuant to that agreement.

Average Check Per Person. Average check per person is calculated by dividing total restaurant sales by total number of guests for a specified period. Our management team uses these indicators at STK to analyze trends in customers' preferences, customer expenditures and the overall effectiveness of menu changes and price increases. For our comparable STK restaurants, the average check per person was $127 for 2024 compared to $130 for 2023.

Average Transaction. Average transaction is calculated by dividing total restaurant sales by total number of transactions for a specified period. Our management team uses these indicators at Benihana and Grill Concepts to analyze trends in customers' preferences, customer expenditures and the overall effectiveness of menu changes and price increases. Average transaction for comparable Benihana restaurants was $111. The average transaction was $64 for our comparable Grill Concepts restaurants in 2024 compared to $63 for 2023. In 2024, full year information for both Benihana and RA Sushi, which is within Grill Concepts, is presented whereas 2023 reflects only Kona Grill within Grill Concepts.

Average Comparable Restaurant Revenue. Average comparable restaurant revenue consists of the average sales of our comparable restaurants over a certain period of time. This measure is calculated by dividing total comparable restaurant sales in a given period by the total number of comparable restaurants in that period. For purposes of this calculation, STK Downtown restaurant and rooftop are considered a single venue. This indicator assists management in measuring changes in customer traffic, pricing and development of our brand. Our average comparable STK restaurant revenues were $15.5 million and $17.3 million for 2024 and 2023, respectively. For 2024, our average comparable Benihana restaurant revenues were $6.5 million. Our average comparable Grill Concepts restaurant revenues were $3.9 million and $5.2 million for 2024 and 2023, respectively. In 2024, full year information for both Benihana and RA Sushi, which is within Grill Concepts, is presented whereas 2023 reflects only Kona Grill within Grill Concepts.

Key Financial Terms and Metrics

We evaluate our business using a variety of key financial measures:

Segment reporting

Our reportable operating segments are as follows:

- *STK*. The STK segment consists of the results of operations from STK restaurants and ONE Hospitality restaurant locations, as well as management, license and incentive fee revenue generated from the STK brand and ONE Hospitality restaurants.
- *Benihana.* The Benihana segment consists of the results of operations from Benihana restaurant locations, as well as franchise revenue from the Benihana brand.
- *Grill Concepts*. The Grill Concepts segment consists of the results of operations of Kona Grill and RA Sushi restaurant locations.

See Note 15 to our consolidated financial statements for further information on our segment reporting.

Revenues

Owned restaurant net revenues. Owned restaurant net revenues consist of food and beverage sales by owned restaurants net of any discounts associated with each sale and of any ancillary F&B hospitality services at owned locations. Additionally, revenues from offsite banquets and our gift card programs are included in owned restaurant net revenues. For the year ended December 31, 2024, beverage sales comprised 17% of food and beverage sales, and food sales comprised the remaining 83%. This indicator assists management in understanding the trends in gross margins of the restaurants.

Our primary owned restaurant brands are STK, Benihana, Kona Grill and RA Sushi. We specifically look at comparable sales from both owned and managed restaurants to understand customer count trends and changes in average check per person or average transaction as it relates to our primary restaurant brands.

Management, license, franchise and incentive fee revenue. Management, license, franchise and incentive fee revenues include fees received pursuant to management and license agreements. Management agreements typically call for a management fee based on a percentage of revenue, a monthly marketing fee based on a percentage of revenues and an incentive fee based on a managed venue's net profits. Similarly, royalties from the licensee or franchisee in license and franchise agreements are generally based on a percentage of the licensed or franchised restaurant's revenue. These management, license, franchise and incentive fees are recognized as revenue in the period the restaurant's sales occur. Initial licensing fees, franchising fees and upfront fees related to management, license, and franchise agreements are recognized as revenue on a straight-line basis over the term of the agreement.

We evaluate the performance of our managed, licensed and franchised properties based on sales growth, a key driver for management, license, franchise and incentive fees, and on improvements in operating profitability margins, which, combined with sales, drives incentive fee growth.

Cost and expenses

Owned restaurant cost of sales. Owned restaurant cost of sales includes all owned restaurant food and beverage expenditures. We measure cost of goods as a percentage of owned restaurant net revenues. Owned restaurant cost of sales are generally influenced by the cost of food and beverage items, menu mix, discounting activity and restaurant level controls. See "Item 1A. Risk Factors — Increases in commodity prices would adversely affect our results of operations."

Owned restaurant operating expenses. We measure owned restaurant operating expenses as a percentage of owned restaurant net revenues. Owned restaurant operating expenses include the following:

- *Payroll and related expenses.* Payroll and related expenses consist of manager salaries, hourly staff payroll and other payroll-related items, including taxes, insurance and fringe benefits. We measure our labor cost efficiency by tracking total labor costs as a percentage of owned restaurant net revenues.

- *Occupancy*. Occupancy comprises all occupancy costs, consisting of both fixed and variable rent, non-cash rent expense, which is a non-cash adjustment included in our Adjusted EBITDA calculation as defined below, common area maintenance charges, real estate property taxes, utilities and other related occupancy costs and is measured by considering both the fixed and variable components of certain occupancy expenses.

- *Direct operating expenses*. Direct operating expenses consist of supplies, such as paper, smallwares, china, silverware and glassware, cleaning supplies, credit card fees and linen costs. Direct operating expenses are typically measured as a variable expense based on owned restaurant net revenues.

- *Outside services*. Outside services include music and entertainment costs, such as the use of live DJ's, security services, outside cleaning services and delivery service fees.

- *Repairs and maintenance*. Repairs and maintenance consist of general repair work to maintain our facilities, and computer maintenance contracts. We expect these costs to increase at each facility as they get older.

- *Marketing*. Marketing includes the cost of promoting our brands and, at times, can include the cost of goods used specifically for complementary purposes. Marketing costs will typically be higher during the first 24 months of a restaurant's operations.

General and administrative. General and administrative expenses are comprised of all corporate overhead expenses, including payroll and related benefits, stock-based compensation expense, professional fees, such as legal and accounting fees, insurance and travel expenses. Certain centrally managed general and administrative expenses are allocated specifically to restaurant locations and are reflected in owned restaurant operating expenses and include shared services such as reservations, events and marketing. We expect general and administrative expenses to be leveraged as we grow, become more efficient, and continue to focus on best practices and cost savings measures.

Depreciation and amortization. Depreciation and amortization expense consists principally of charges related to the depreciation of fixed assets including leasehold improvements, equipment and furniture and fixtures and loss on disposal of fixed assets.

Pre-opening expenses. Pre-opening expenses consist of costs incurred prior to opening an owned or managed restaurant at either a leased or F&B location. Pre-opening expenses are comprised principally of manager salaries and relocation costs, employee payroll, training costs for new employees and lease costs incurred prior to opening. Pre-opening expenses also include payroll and travel costs associated with our new restaurant opening training team. Pre-opening expenses have varied from location to location depending on a number of factors, including the proximity to our existing restaurants; the amount of rent expensed during the construction and in-restaurant training periods; the size and physical layout of each location; the number of management and hourly employees required to operate each restaurant; the relative difficulty of the restaurant staffing process; the cost of travel and lodging for different metropolitan areas; the timing of the restaurant opening; and the extent of unexpected delays, if any, in obtaining necessary licenses and permits to open the restaurant.

Transition and integration expenses. Transition and integration expenses consist of costs associated with the Benihana Acquisition. These costs are expenses related to the implementation of happy hour and wagyu offerings at Benihana and identified duplicate professional service vendors, operational support offices, support positions, and maintenance expenses that will be eliminated in the foreseeable future.

Transaction and exit costs. Transaction and exit costs primarily represent investment banking, legal and professional fees incurred in conjunction with the Benihana Acquisition.

Other Items

EBITDA, Adjusted EBITDA and Restaurant Operating Profit. We present EBITDA, Adjusted EBITDA and Restaurant Operating Profit to supplement other measures of financial performance. EBITDA, Adjusted EBITDA and Restaurant Operating Profit are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America ("GAAP"). We define EBITDA as net income before interest expense, benefit for income taxes and depreciation and amortization. We define Adjusted EBITDA as net income before interest expense, benefit for income taxes, depreciation and amortization, non-cash rent expense, transaction and exit costs, transition and integration expenses, stock-based compensation, and non-recurring gains and losses. Not all of the items defining Adjusted EBITDA occur in each reporting period but have been included in our definitions of these terms based on our historical activity. We define Restaurant Operating Profit as owned restaurant net revenue minus owned restaurant cost of sales and owned restaurant operating expenses.

We believe that EBITDA, Adjusted EBITDA and Restaurant Operating Profit are appropriate measures of our operating performance because they eliminate non-cash or non-recurring expenses that do not reflect our underlying business performance. We believe Restaurant Operating Profit is an important component of financial results because: (i) it is a widely used metric within the restaurant industry to evaluate restaurant-level productivity, efficiency, and performance, and (ii) we use Restaurant Operating Profit as a key metric to evaluate our restaurant financial performance compared to our competitors. We use these metrics to facilitate a comparison of our operating performance on a consistent basis from period to period, to analyze the factors and trends affecting our business and to evaluate the performance of our restaurants. Adjusted EBITDA has limitations as an analytical tool and our calculation of Adjusted EBITDA may not be comparable to that reported by other companies; accordingly, you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Adjusted EBITDA is a key measure used by management and is a metric used in our debt compliance calculation. Additionally, Adjusted EBITDA and Restaurant Operating Profit are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We use Adjusted EBITDA and Restaurant Operating Profit, alongside other GAAP measures such as net income, to measure profitability, as a key profitability target in our budgets, and to compare our performance against that of peer companies despite possible differences in calculation.

Please refer to the table on page 37 for our reconciliation of net income to EBITDA and Adjusted EBITDA and for a reconciliation of operating income to Restaurant Operating Profit.

Results of Operations

The following table sets forth certain statements of operations data for the periods indicated (in thousands):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Revenues:		
Owned restaurant net revenue	$ 658,915	$ 317,366
Management, license, franchise and incentive fee revenue	14,429	15,403
Total revenues	673,344	332,769
Cost and expenses:		
Owned operating expenses:		
Owned restaurant cost of sales	138,794	75,727
Owned restaurant operating expenses	411,798	191,250
Total owned operating expenses	550,592	266,977
General and administrative (including stock-based compensation of $6,017 and $5,032 for the years ended December 31, 2024 and 2023, respectively)	44,170	30,751
Depreciation and amortization	34,096	15,664
Transition and integration expenses	13,681	—
Pre-opening expenses	9,488	8,855
Transaction and exit costs	9,326	207
Lease termination expenses	1,096	—
Other expenses	124	1,021
Total costs and expenses	662,573	323,475
Operating income	10,771	9,294
Other expenses, net:		
Interest expense, net of interest income	31,109	7,028
Loss on early debt extinguishment	4,149	—
Total other expenses, net	35,258	7,028
(Loss) income before benefit for income taxes	(24,487)	2,266
Benefit for income taxes	(7,834)	(1,760)
Net (loss) income	(16,653)	4,026
Less: net loss attributable to noncontrolling interest	(829)	(692)
Net (loss) income attributable to The ONE Group Hospitality, Inc.	$ (15,824)	$ 4,718

The following table sets forth certain statements of operations data as a percentage of total revenues for the periods indicated. Certain percentage amounts may not sum to total due to rounding.

	For the year ended December 31, 2024	2023
Revenues:		
Owned restaurant net revenue	97.9%	95.4%
Management, license, franchise and incentive fee revenue	2.1%	4.6%
Total revenues	100.0%	100.0%
Cost and expenses:		
Owned operating expenses:		
Owned restaurant cost of sales [(1)]	21.1%	23.9%
Owned restaurant operating expenses [(1)]	62.5%	60.3%
Total owned operating expenses [(1)]	83.6%	84.1%
General and administrative (including stock-based compensation of 0.9% and 1.5% for the years ended December 31, 2024 and 2023, respectively)	6.6%	9.2%
Depreciation and amortization	5.1%	4.7%
Transition and integration expenses	2.0%	—%
Pre-opening expenses	1.4%	2.7%
Transaction and exit costs	1.4%	0.1%
Lease termination expenses	0.2%	—%
Other expenses	0.0%	0.3%
Total costs and expenses	98.4%	97.2%
Operating income	1.6%	2.8%
Other expenses, net:		
Interest expense, net of interest income	4.6%	2.1%
Loss on early debt extinguishment	0.6%	—%
Total other expenses, net	5.2%	2.1%
(Loss) income before benefit for income taxes	(3.6)%	0.7%
Benefit for income taxes	(1.2)%	(0.5)%
Net (loss) income	(2.5)%	1.2%
Less: net loss attributable to noncontrolling interest	(0.1)%	(0.2)%
Net (loss) income attributable to The ONE Group Hospitality, Inc.	(2.4)%	1.4%

(1) These expenses are being shown as a percentage of owned restaurant net revenue.

The following table presents a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods indicated (in thousands):

	For the year ended December 31,	
	2024	2023
Net (loss) income attributable to The ONE Group Hospitality, Inc.	$ (15,824)	$ 4,718
Net loss attributable to noncontrolling interest	(829)	(692)
Net (loss) income	(16,653)	4,026
Interest expense, net of interest income	31,109	7,028
Benefit for income taxes	(7,834)	(1,760)
Depreciation and amortization	34,096	15,664
EBITDA	40,718	24,958
Stock-based compensation	6,017	5,032
Transaction and exit costs	9,326	207
Transition and integration expenses	13,681	—
Lease termination expense [1]	1,096	—
Non-cash rent [2]	(338)	1,228
Loss on debt extinguishment	4,149	—
Other expenses	124	1,021
Adjusted EBITDA	74,773	32,446
Adjusted EBITDA attributable to noncontrolling interest	(416)	(339)
Adjusted EBITDA attributable to The ONE Group Hospitality, Inc.	$ 75,189	$ 32,785

(1) Lease termination expenses are costs associated with closed locations.
(2) Non-cash rent expense is included in owned restaurant operating expenses, pre-opening expenses and general and administrative expense on the consolidated statements of operations.

The following table presents a reconciliation of Operating income to Restaurant Operating Profit for the periods indicated (in thousands):

	For the year ended December 31,	
	2024	2023
Operating income as reported	$ 10,771	$ 9,294
Management, license, franchise and incentive fee revenue	(14,429)	(15,403)
General and administrative	44,170	30,751
Depreciation and amortization	34,096	15,664
Transition and integration expenses	13,681	—
Pre-opening expenses	9,488	8,855
Transaction and exit costs	9,326	207
Lease termination expenses	1,096	—
Other expenses	124	1,021
Restaurant Operating Profit	$ 108,323	$ 50,389
Restaurant Operating Profit as a percentage of owned restaurant net revenue	16.4%	15.9%

Restaurant Operating Profit by brand is as follows (in thousands):

	For the year ended December 31,	
	2024	2023
STK restaurant operating profit (Company owned)	$ 38,106	$ 38,023
STK restaurant operating profit (Company owned) as a percentage of STK revenue (Company owned)	18.6%	20.5%
Benihana restaurant operating profit (Company owned)	$ 59,597	$ —
Benihana restaurant operating profit (Company owned) as a percentage of Benihana revenue (Company owned)	20.1%	—
Core Grill Concepts restaurant operating profit	$ 11,180	$ 12,134
Core Grill Concepts restaurant operating profit as a percentage of Core Grill Concepts revenue	8.1%	10.4%
Non-core Grill Concepts restaurant operating profit	$ (1,764)	$ 171
Non-core Grill Concepts restaurant operating profit as a percentage of Non-core Grill Concepts revenue	(10.1)%	1.1%

Results of Operations for the Years Ended December 31, 2024 and December 31, 2023

Revenues

Owned restaurant net revenue. Owned restaurant net revenue increased $341.5 million, or 107.6%, to $658.9 million for 2024 from $317.4 million for 2023. The increase was primarily attributable to the acquisition of Benihana and RA Sushi restaurants on May 1, 2024, which generated $338.1 million in revenues and $35.5 million in revenues from ten new restaurants opened since January 2023, partially offset by a reduction in comparable restaurant sales. Comparable restaurant sales decreased 6.2% in 2024 compared to 2023.

Management, license, franchise and incentive fee revenue. Management, license, franchise and incentive fee revenues decreased $1.0 million, or 6.5%, to $14.4 million for 2024 from $15.4 million for 2023. The decrease was primarily attributable to a decrease in revenues at our managed STK restaurants in North America, partially offset from the franchise revenue from the acquired Benihana restaurant franchise agreements.

Cost and Expenses

Owned restaurant cost of sales. Food and beverage costs for owned restaurants increased $63.1 million, or 83.4%, to $138.8 million for 2024 from $75.7 million for 2023. The increase in owned restaurant cost of sales is primarily attributed to $64.9 million in cost of sales associated with revenues generated by Benihana and RA Sushi restaurants acquired on May 1, 2024, partially offset by a decrease in comparable sales. As a percentage of revenues, cost of sales decreased 280 basis points to 21.1% for 2024 from 23.9% for 2023 primarily due to lower cost of sales for Benihana restaurants, product mix management, pricing and operational cost reduction initiatives partially offset by increased commodity prices.

Owned restaurant operating expenses. Owned restaurant operating expenses increased $220.5 million, or 115.3%, to $411.8 million for 2024 from $191.3 million for 2023. The increase in owned restaurant operating expense is primarily attributed to $210.2 million in operating expenses associated with revenues generated by Benihana and RA Sushi restaurants acquired on May 1, 2024. Owned restaurant operating costs as a percentage of owned restaurant net revenue increased 220 basis points from 60.3% in 2023 to 62.5% for 2024 primarily due to higher labor costs driven by wage inflation, increased marketing expenses, general operating cost inflation and fixed cost deleveraging driven by a decrease in same store sales, partially offset by lower restaurant operating costs for Benihana restaurants.

General and administrative. General and administrative costs increased $13.4 million, or 43.5%, to $44.2 million for 2024 from $30.8 million for 2023. The increase was attributable to incremental headcount associated with the Benihana Acquisition and increased professional fees. As a percentage of revenues, general and administrative costs were 6.6% in 2024 compared to 9.2% in 2023.

Depreciation and amortization. Depreciation and amortization expense increased $18.4 million to $34.1 million for 2024 from $15.7 million for 2023. The increase was primarily related to depreciation and amortization for the Benihana and RA Sushi restaurants acquired on May 1, 2024, depreciation associated with the opening of ten new owned venues since January 2023 and capital expenditures to maintain and enhance the guest experience in our restaurants.

Pre-opening expenses. We incurred $9.5 million of pre-opening expenses primarily related to payroll, training, and non-cash rent for six STK, Kona Grill, RA Sushi and Salt Water Social restaurants which opened in 2024 as well as restaurants currently under development. Total pre-opening expenses related to non-cash pre-open rent was $1.2 million.

Pre-opening expenses for 2023 were $8.9 million primarily related costs associated with six restaurants which opened in 2023 and restaurants opened in 2024. Total pre-opening expenses related to non-cash rent were $1.8 million.

Detail of pre-opening expenses by category is provided in the tables below for 2024 and 2023 (in thousands).

Year ended December 31, 2024	**Preopen Expenses**	**Preopen Rent**	**Total**
Training Team	$ 4,904	$ —	$ 4,904
Restaurants	2,646	1,938	4,584
Total	$ 7,550	$ 1,938	$ 9,488

Year ended December 31, 2023	Preopen Expenses		Preopen Rent		Total	
Training Team	$	3,845	$	—	$	3,845
Restaurants		3,213		1,797		5,010
Total	$	7,058	$	1,797	$	8,855

(1) Cash rent paid was $0.7 million and $0.2 million for the years ended December 31, 2024 and 2023, respectively.

Transaction and exit costs. Transaction and exit costs were $9.3 million for 2024. These costs primarily included investment banking, legal and professional fees incurred in conjunction with the Benihana Acquisition, which closed on May 1, 2024.

Transition and integration costs. In 2024, we incurred $13.7 million of transition and integration costs associated with the Benihana Acquisition, which closed on May 1, 2024. Included in these costs are expenses related to the implementation of happy hour and wagyu offerings at Benihana and identified duplicate professional service vendors, operational support offices, support positions, and maintenance expenses that will be eliminated in the foreseeable future. Over the next twelve months, we intend to integrate Benihana by leveraging our corporate infrastructure, our supply chain, and unique Vibe Dining program, to elevate the brand experience and drive improved performance.

Other expenses. Other expenses in 2024 and 2023 were $0.1 million and $1.0 million, respectively, primarily related to litigation expenses.

Interest expense, net of interest income. Interest expense, net of interest income, was approximately $31.1 million and $7.0 million for 2024 and 2023, respectively. We borrowed $350.0 million on the Credit Agreement on May 1, 2024 to finance the Benihana Acquisition. The weighted average interest rate for 2024 was 11.7% compared to 11.9% for 2023.

Loss on early debt extinguishment. On May 1, 2024, in conjunction with entering into the Credit Agreement, we prepaid the outstanding debt balance under our credit agreement with Goldman Sachs Bank NA to early extinguish the $73.1 million of outstanding term loans. We recognized a $4.1 million loss on debt extinguishment primarily caused by the prepayment penalty and the recognition of unamortized debt issuance costs related to the debt extinguished.

Benefit for income taxes. The benefit for income taxes for 2024 was $7.8 million compared to a benefit for income taxes for $1.8 million for 2023. Our effective tax rate was 32.0% and (77.7)% for the years ended December 31, 2024 and 2023, respectively. Our effective tax rate differs from the statutory U.S. tax rate of 21% primarily due to the following: (i) tax credits for FICA taxes on certain employees' tips; (ii) taxes owed in foreign jurisdictions such as the United Kingdom, Canada and Italy; (iii) taxes owed in state and local jurisdictions; and (iv) windfall tax benefits from equity compensation offset by compensation limited for certain individuals with compensation in excess of $1 million.

Net loss attributable to noncontrolling interest. Net loss attributable to noncontrolling interest increased to a net loss of $0.8 million for 2024 compared to net loss of $0.7 million for 2023.

Liquidity and Capital Resources

Executive Summary

Our principal liquidity requirements are to meet our lease obligations, working capital and capital expenditure needs and to pay principal and interest on our outstanding debt. Subject to our operating performance, which, if significantly adversely affected, would adversely affect the availability of funds, we expect to finance our operations for at least the next 12 months and the foreseeable future, including the costs of opening currently planned new restaurants, through cash provided by operations, construction allowances provided by landlords of certain locations and borrowings under our Credit Agreement. We also may borrow on our revolving credit facility or issue equity, including preferred stock, to support ongoing business and fund additional expansion. We believe these sources of financing are adequate to support our immediate business operations and plans. As of December 31, 2024, we had cash and cash equivalents of $27.6 million. We had $348.3 million in long-term debt, which consisted of borrowings under our Credit Agreement as of December 31, 2024. As of December 31, 2024, the availability on our revolving credit facility was $33.6 million, subject to certain conditions.

Capital expenditures in 2024 were $71.6 million of which $54.5 million primarily related to the construction of new STK, Benihana, Kona Grill and RA Sushi restaurants and $16.3 million related to existing restaurants. Net capital expenditures, inclusive of $6.9 million in landlord contributions, was $64.7 million for 2024. We expect to receive between $1.0 million to $2.0 million in landlord contributions in the next three months.

Capital expenditures by type for 2024 and 2023 is provided below (in thousands).

Year Ended December 31, 2024	**STK**	**Benihana**	**Grill Concepts**	**Other [1]**	**Total**
New Venues	$ 40,119	$ 2,724	$ 11,098	$ 532	$ 54,473
Maintenance	3,854	7,914	4,492	—	16,260
Other	—	—	—	822	822
Total	$ 43,973	$ 10,638	$ 15,590	$ 1,354	$ 71,555
Tenant Improvement Allowance	$ 5,480	$ —	$ 1,460	$ —	$ 6,940

Year Ended December 31, 2023	**STK**	**Benihana**	**Grill Concepts**	**Other [1]**	**Total**
New Venues	$ 24,574	$ —	$ 17,234	$ 2,865	$ 44,673
Maintenance	4,294	—	4,134	—	8,428
Other	—	—	—	449	449
Total	$ 28,868	$ —	$ 21,368	$ 3,314	$ 53,550
Tenant Improvement Allowance	$ 3,519	$ —	$ 1,125	$ 22	$ 4,667

(1) Includes inventory of restaurant equipment for venues under development.

Our operations have not required significant working capital, and, like many restaurant companies, we may have negative working capital during the year. Revenues are received primarily in credit card or cash receipts, and restaurant operations do not require significant receivables or inventories, other than our wine inventory. In addition, we receive trade credit for the purchase of food, beverages and supplies, thereby reducing the need for incremental working capital to support growth. Due to the seasonality of our business, we typically generate a greater proportion of our cash flow from operations during the fourth quarter.

Our future cash requirements will depend on many factors, including the pace of expansion, conditions in the retail property development market, construction costs, the nature of the specific sites selected for new restaurants, and the nature of the specific leases and associated tenant improvement allowances available, if any, as negotiated with landlords. We have made significant investments in our training and development teams to support new restaurants openings. We believe these investments are necessary to support the successful opening of our new restaurants. If we modify our growth plans, the personnel that comprise our training team could be deployed to operate existing restaurants.

To help manage future cash requirements, we limit the number of owned company venues under construction at any given time to four restaurants. We also set a maximum number of signed leases for new restaurant development to twelve in order to minimize our cash rent commitment to approximately $3.0 million to $4.0 million annually for restaurants under development.

Credit Agreement

Refer to Note 6 and Note 17 to our consolidated financial statements set forth in Item 15 of this Annual Report on Form 10-K for further information regarding the terms of our long-term debt arrangements and information regarding our commitments and contingencies.

Capital Expenditures and Lease Arrangements

When we open new Company-owned restaurants, our capital expenditures for construction increase. For owned STK restaurants, where we build from a shell state, we have typically targeted a restaurant size of 8,000 square feet with a gross cash investment of approximately $700 to $750 per square foot, exclusive of $150 per square foot in landlord contributions. STK restaurants opened in 2023 and 2024 had a gross cost per square foot of $706 and $132 per square foot in landlord contributions with an average size of 10,618 square feet. For owned Benihana restaurants, where we build from a shell state, we have typically targeted a restaurant size of 7,000 square feet. In situations where we add functional space and build a restaurant with a mezzanine, covered patio, or rooftop, costs per square feet will increase. Typical cash pre-opening costs are $0.6 million to $0.8 million, excluding the impact of cash and non-cash pre-opening rent. In addition, some of our existing restaurants will require capital improvements to either maintain or improve the facilities. We may add seating or provide enclosures for outdoor space in the next twelve months for some of our locations, when we believe that will increase revenues for those locations.

Our hospitality F&B services projects typically require limited capital investment from us. Capital expenditures for these projects are primarily funded by cash flows from operations and equipment financing, depending upon the timing of these expenditures and cash availability.

We typically seek to lease our restaurant locations for periods of 10 to 20 years under operating lease arrangements, with a limited number of renewal options. Our rent structure varies, but our leases generally provide for the payment of both minimum and contingent rent based on sales, as well as other expenses related to the leases such as our pro-rata share of common area maintenance, property tax and insurance expenses. Many of our lease arrangements include the opportunity to secure tenant improvement allowances to partially offset the cost of developing and opening the related restaurants. Generally, landlords recover the cost of such allowances from increased minimum rents. However, there can be no assurance that such allowances will be available to us on each project that we select for development.

Cash Flows

The following table summarizes the statement of cash flows for the years ended December 31, 2024 and December 31, 2023 (in thousands):

	For the year ended December 31, 2024	2023
Net cash provided by (used in):		
Operating activities	$ 44,188	$ 30,781
Investing activities	(441,393)	(53,550)
Financing activities	404,336	(11,248)
Effect of exchange rate changes on cash	(103)	(57)
Net increase (decrease) in cash and cash equivalents	$ 7,028	$ (34,074)

<u>Operating Activities.</u> Net cash provided by operating activities was $44.1 million for 2024 compared to $30.8 million for 2023. The increase in net cash provided by operating activities during 2024 compared to 2023 was primarily attributable to the net cash generated by the acquired Benihana and RA Sushi restaurants.

Investing Activities. Net cash used in investing activities for 2024 was $441.4 million, which was comprised of $369.8 million for the Benihana acquisition, net of cash acquired, and $71.6 million of which $54.5 million primarily related to the construction of new STK, Benihana, Kona Grill and RA Sushi restaurants and $16.3 million related to existing restaurants. Net cash used in investing activities for 2023 was $53.5 million primarily for the construction of six restaurants opened in 2023 and new restaurants under development, as well as capital expenditures for existing restaurants.

Financing Activities. Net cash provided by financing activities was $404.4 million for 2024 and was comprised of net proceeds from borrowings under the Credit Agreement of $333.8 million and net proceeds from the issuance of preferred stock and warrants of $138.9 million, partially offset by the repayment of our prior credit facility of $73.6 million and $3.2 million of shares purchased under our stock buyback plan. Net cash used by financing activities for 2023 was $11.2 million primarily attributable to $7.9 million in purchases for common stock and $2.0 million to pay employee taxes for shares withheld upon vesting restricted stock units.

Recent Accounting Pronouncements

Refer to Note 2 of our consolidated financial statements for a detailed description of recent accounting pronouncements.

Critical Accounting Estimates

Critical accounting estimates are those that management believes are the most important to the portrayal of our financial condition and results and require the most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Judgments and uncertainties may result in materially different amounts being reported under different conditions or using different assumptions.

Our significant accounting estimates are discussed in additional detail in Note 2 to our consolidated financial statements. We base our estimates on historical experience and various assumptions that we believe to be reasonable under the circumstances and we evaluate those estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions. We believe that our significant accounting estimates involve a higher degree of judgment and/or complexity for the reasons discussed below:

Income Taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the respective tax bases of our assets and liabilities. Deferred tax assets and liabilities are measured using current enacted rates expected to apply to taxable income in the years in which we expect the temporary differences to reverse. We routinely evaluate the likelihood of realizing the benefit of our deferred tax assets and may record a valuation allowance if, based on all available evidence, we determine that some portion of the tax benefit will not be realized.

In addition, our income tax returns are periodically audited by federal, state and foreign tax authorities. These audits include questions regarding our tax filing positions, including the timing and amount of deductions taken and the allocation of income amongst various tax jurisdictions. We evaluate our exposures associated with our various tax filing positions and record a related liability. We adjust our liability for unrecognized tax benefits and income tax provision in the period in which an uncertain tax provision is effectively settled, the statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available.

As of December 31, 2024, we had a valuation allowance of $4.2 million that relates to foreign tax credits we do not expect to utilize as a result of generating income in a jurisdiction with a higher income tax rate than the U.S and certain other credits that the Company does not expect to utilize. The recording of deferred taxes requires significant management judgment regarding the interpretation of applicable statutes, the status of various income tax audits, and our particular facts and circumstances.

Impairment of Long-Lived Assets and Disposal of Property and Equipment

Long-lived assets, which include property and equipment and right-of-use assets for operating leases, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be fully recoverable. The impairment evaluation is generally performed at the individual restaurant level, as we believe this is the lowest level of identifiable cash flows. We believe that historical cash flows, in addition to other relevant facts and circumstances, are the primary basis for estimating future cash flows. Relevant facts and circumstances include, among others, significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the overall business, and significant negative industry or economic trends. Recoverability of restaurant assets is measured by a comparison of the carrying amount of an individual restaurant's assets to the estimated identifiable undiscounted future cash flows expected to be generated by those restaurant assets. This process requires the use of estimates and assumptions, which are subject to a high degree of judgment. If the carrying amount of an individual restaurant's assets exceeds its estimated undiscounted future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds its fair value. The estimated fair value is determined for these assets in accordance with ASC 820, Fair Value Measurement. Property and equipment, net of accumulated depreciation and the operating lease right-of-use assets as of December 31, 2024 were $276.1 million and $260.2 million, respectively.

From time to time we have decided to close or dispose of restaurants. Typically, such decisions are based on operating performance or strategic considerations and must be made before the actual costs or proceeds of disposition are known, and management must make estimates of these outcomes. Such outcomes could include the sale of a leasehold, mitigating costs through a tenant or subtenant, or negotiating a buyout of a remaining lease term. In these instances, management evaluates possible outcomes, frequently using outside real estate and legal advice, and records provisions for the effect of such outcomes. The accuracy of such provisions can vary materially from original estimates, and management regularly monitors the adequacy of the provisions until final disposition occurs.

For the years ended December 31, 2024 and 2023, we did not identify any event or changes in circumstances that indicated that the carrying values of our restaurant long-lived assets were impaired and therefore, no impairment loss related to long-lived assets has been recognized.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets are tested for impairment annually or on an interim basis if events or changes in circumstances between annual tests indicate a potential impairment. First, we determine if, based on qualitative factors, it is more likely than not that an impairment exists. Factors considered include, but are not limited to, historical financial performance, expected future cash flows, changes in management or key personnel, macroeconomic and industry conditions and the legal and regulatory environment. If the qualitative assessment indicates that it is more likely than not that an impairment exists, then a quantitative assessment is performed.

If necessary, a quantitative assessment requires the use of estimates and assumptions regarding future cash flows. For the goodwill impairment test, the estimated fair value of the reporting units is determined using a blend of the income approach using a discounted cash flow analysis and the market capitalization approach. The fair value of the trade names and trademarks is estimated using the relief from royalty method. Key assumptions include projected revenue growth and operating expenses, discount rates, royalty rates and other factors that could affect fair value or otherwise indicate potential impairment. These estimates are subjective, and our ability to realize future cash is affected by factors such as changes in economic conditions and operating performance. Changes in circumstances existing at the measurement date or at other times in the future, or in the estimates associated with management's judgments and assumptions made in assessing fair value. These fair value assessments could change materially if different estimates and assumptions were used. No quantitative assessments were performed in 2024.

We did not record any impairment charges related to goodwill or indefinite-lived intangible assets in 2024 or 2023.

Leases

Contracts are evaluated to determine whether they contain a lease at inception, and leases are classified as either operating or financing. For operating leases, we recognize a lease liability equal to the present value of the remaining lease payments, and a right of use asset equal to the lease liability, subject to certain adjustments, such as prepaid rents, initial direct costs and lease incentives received from the lessor. For leases that do not have a rate implicit in the lease, we use our incremental borrowing rate to determine the present value of the lease payments. Our incremental borrowing rate is the rate of interest that we would have to borrow on a collateralized basis over a similar term on an amount equal to the lease payments in a similar economic environment.

The lease term at the lease commencement date is determined based on the non-cancellable period for which we have the right to use the underlying asset, together with any periods covered by an option to extend the lease if we are reasonably certain to exercise that option, periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option, and periods covered by an option to extend (or not to terminate) the lease in which the exercise of the option is controlled by the lessor.

Certain of our leases also provide for percentage rent, which are variable lease costs determined as a percentage of gross sales in excess of specified, minimum sales targets. These percentage rents are recognized as rent expense prior to the achievement of the specified sales target provided achievement of the sales target is considered probable.

We currently lease all of our restaurant locations under leases classified as operating leases. Management makes judgments regarding the probable term for each lease and considers a number of factors to evaluate whether renewal options in the lease contracts are reasonably certain of exercise, such as length of time before option exercise, expected value of the leased asset at the end of the initial lease term, importance of the lease to overall operations, costs to negotiate a new lease, and any contractual or economic penalties. The lease term can impact the lease classification and accounting for a lease as either an operating or financing lease, the incremental borrowing rate, the rent holidays and/or escalations in payments that are taken into consideration when calculating the rent expense and the related lease liability and right-of-use asset, and the term over which leasehold improvements for each restaurant are depreciated. These judgments may produce materially different amounts of depreciation, amortization and rent expense and materially different lease liabilities and right-of-use assets than would be reported if different assumed lease terms were used.

Business Combination

On May 1, 2024, the Company acquired 100% of the issued and outstanding equity interests of Safflower Holdings Corp. and its affiliates comprising of 93 company owned restaurants and 12 franchised restaurants. In accordance with the acquisition method of accounting for business combinations, we allocated the purchase price of the acquired business to the tangible and intangible assets acquired and liabilities assumed based on estimated fair values. Our purchase price allocation methodology contains uncertainties because it requires us to make certain assumptions and to apply judgment to estimate the fair value of acquired assets and liabilities, including, but not limited to, property and equipment and intangible assets. We estimated the fair value of assets and liabilities based upon widely-accepted valuation techniques, including discounted cash flow and relief from royalty method, depending on the nature of the assets acquired or liabilities assumed. The process for estimating fair values in many cases requires the use of significant estimates, assumptions and judgments, including determining the timing and estimates of future cash flows and developing appropriate discount and royalty rates. Unanticipated events or circumstances may occur which could affect the accuracy of our fair value estimates.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Commodity Price Risk

We are exposed to market price fluctuations in beef, seafood, produce and other food product prices. Given the historical volatility of beef, seafood, produce and other food product prices, these fluctuations can materially impact our food and beverage costs. While we have taken steps to qualify multiple suppliers who meet our standards as suppliers for our restaurants and enter into agreements with suppliers for some of the commodities used in our restaurant operations, we do not enter into long-term agreements for the purchase of such supplies. There can be no assurance that future supplies and costs for such commodities will not fluctuate due to weather and other market conditions outside of our control and we may be subject to unforeseen supply and cost fluctuations. Dairy costs can also fluctuate due to government regulation. Because we typically set our menu prices in advance of our food product prices, our menu prices cannot immediately take into account the changing costs of food items. To the extent that we are unable to pass the increased costs on to our customers through price increases, our results of operations would be adversely affected. We do not use financial instruments to hedge our risk to market price fluctuations in beef, seafood, produce and other food product prices at this time.

Inflation

The impact of inflation on labor, food, operating supplies and occupancy costs could significantly affect our operations. We pay many of our employees hourly rates related to the applicable federal or state minimum wage. Food costs as a percentage of revenues have been somewhat stable due to procurement efficiencies and menu price increases, although no assurance can be made that our procurement will continue to be efficient or that we will be able to raise menu prices in the future. Costs for construction, taxes, repairs, maintenance and insurance all impact our occupancy costs. We believe that our current strategy, which is to seek to maintain operating margins through a combination of menu price increases, cost controls, careful evaluation of property and equipment needs, and efficient purchasing practices, has been an effective tool for dealing with inflation. There can be no assurance, however, that future inflationary or other cost pressure will be effectively offset by this strategy.

Interest Rate Risk

Under our Credit Agreement, we are exposed to market risk from changes in interest rates on our borrowings. Borrowings under the Credit Agreement are subject to rates based on SOFR plus an interest rate margin of 6.5%. As of December 31, 2024, we had $348.3 million of borrowings subject to variable interest rates.

Foreign Currency Exchange Rate Risk

We are subject to foreign currency exchange risk for our restaurants operating in the United Kingdom, Europe, Canada, Mexico and the Middle East. If foreign currency exchange rates depreciate in these countries or regions, or any other country or region in which we may operate in the future, we may experience declines in our international operating results but such exposure would not be material to the consolidated financial statements. We currently do not use financial instruments to hedge foreign currency exchange rate changes.

Item 8. Financial Statements and Supplementary Data

Our Consolidated Financial Statements required by this Item are set forth in Item 15 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as our controls are designed to do, and management necessarily applies its judgment in evaluating the risk and cost benefit relationship related to controls and procedures.

Our Chief Executive Officer and Chief Financial Officer, have reviewed the effectiveness of our disclosure controls and procedures as of December 31, 2024 and, based on this evaluation, have concluded that our disclosure controls and procedures were effective as of December 31, 2024.

Report of Management on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making its assessment of internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations (the “COSO”) of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on this assessment, our CEO and CFO concluded that our internal control over financial reporting was effective as of December 31, 2024.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report, has issued an attestation report on our internal control over financial reporting as of December 31, 2024.

Changes in Internal Control Over Financial Reporting

On May 1, 2024, we completed the Benihana Acquisition and have implemented new processes and internal controls to assist us in the preparation and disclosure of financial information. Given the significance of the Benihana Acquisition, we have excluded the acquired Benihana business from our assessment and report on internal controls over financial reporting for the year ended December 31, 2024. Benihana and RA Sushi make up approximately 50.0% of our total revenue for the year ended December 31, 2024 and 64.9% of total assets as of December 31, 2024. Other than discussed above, there have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The ONE Group Hospitality, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of The ONE Group Hospitality, Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

On May 1, 2024, The One Group Hospitality Inc. completed the Benihana Acquisition. Accordingly, the acquired assets and liabilities of Benihana are included in the Company's consolidated balance sheet as of December 31, 2024, and the results of its operations and cash flows are reported in its consolidated statements of operations and cash flows for the year ended December 31, 2024, from the date of acquisition. However, management elected to exclude Benihana from its scope of the Company's annual report on internal control over financial reporting as of December 31, 2024. The financial position of Benihana represented approximately 65% of total assets as of December 31, 2024, and 50% of total revenues during the year ended December 31, 2024.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated March 10, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Denver, Colorado
March 10, 2025

Item 9B. Other Information

(c) Trading Plans

During the quarter ended December 31, 2024, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item is incorporated by reference from the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders.

Item 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated by reference from the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item is incorporated by reference from the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is incorporated by reference from the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this item is incorporated by reference from the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) *Financial Statements.* For the financial statements included in this annual report, see “Index to the Financial Statements” on page F-1.

(a)(2) *Financial Statement Schedules.* None.

(a)(3) *Exhibits*. The list of exhibits filed as part of this Annual Report on Form 10-K is set forth on the Exhibit Index immediately preceding such exhibits and is incorporated by reference in this Item 15(a)(3).

Item 16. 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: March 10, 2025

THE ONE GROUP HOSPITALITY, INC.

By: /s/ TYLER LOY
Tyler Loy
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ EMANUEL HILARIO Emanuel Hilario	Chief Executive Officer and Director (Principal Executive Officer)	March 10, 2025
/s/ TYLER LOY Tyler Loy	Chief Financial Officer (Principal Financial Officer)	March 10, 2025
/s/ CHRISTI HING Christi Hing	Chief Accounting Officer (Principal Accounting Officer)	March 10, 2025
/s/ JONATHAN SEGAL Jonathan Segal	Executive Chairman, Director	March 10, 2025
/s/ DIMITRIOS ANGELIS Dimitrios Angelis	Director	March 10, 2025
/s/ EUGENE BULLIS Eugene Bullis	Director	March 10, 2025
/S/ JAMES CHAMBERS James Chambers	Director	March 10, 2025
/s/ SUSAN LINTONSMITH Susan Lintonsmith	Director	March 10, 2025
/s/ HAYDEE OLINGER Haydee Olinger	Director	March 10, 2025
/s/ SCOTT ROSS Scott Ross	Director	March 10, 2025
/s/ MICHAEL SERRUYA Michael Serruya	Director	March 10, 2025

Exhibit Index

Exhibit Number	Exhibit Description
2.1	Stock Purchase Agreement dated March 26, 2024 between Safflower Holdings LLC, Safflower Holdings Corp., TOG Kaizen Acquisition, LLC and The ONE Group Hospitality, Inc. (Incorporated by reference to Form 8-K filed on March 26, 2024).
2.2	Amendment No. 1 to Stock Purchase Agreement dated April 29, 2024 between Safflower Holdings LLC, Safflower Holdings Corp., TOG Kaizen Acquisition, LLC and The ONE Group Hospitality, Inc. (Incorporated by reference to the Closing 8-K).
3.1	Amended and Restated Certificate of Incorporation (Incorporated by reference to Form 8-K filed on June 5, 2014).
3.2	Certificate of Designations of Series A Preferred Stock (Incorporated by reference to Form 8-K filed on May 1, 2024 (the "Closing 8-K")).
3.3	Amended and Restated Bylaws (Incorporated by reference to Form 8-K filed on October 25, 2011).
4.1	Investment Agreement dated March 26, 2024 between The ONE Group Hospitality, Inc., HPS Investment Partners, LLC and HPC III Kaizen LP (Incorporated by reference to Form 8-K filed on March 26, 2024).
4.2	Warrant Certificate No. A-1, dated May 1, 2024, issued by the Company to HPC III Kaizen LP (Incorporated by reference to the Closing 8-K).
4.3	Warrant Certificate No. A-2, dated May 1, 2024, issued by the Company to HPS Special Situations Opportunity Fund II, L.P. (Incorporated by reference to the Closing 8-K).
4.4	Warrant Certificate No. A-3, dated May 1, 2024, issued by the Company to SSOF II BH US Subsidiary, L.P. (Incorporated by reference to the Closing 8-K).
4.5	Warrant Certificate No. A-4, dated May 1, 2024, issued by the Company to HPS Corporate Lending Fund (Incorporated by reference to the Closing 8-K).
4.6	Warrant Certificate No. A-5, dated May 1, 2024, issued by the Company to HPS Corporate Capital Solutions Fund (Incorporated by reference to the Closing 8-K).
4.7	Warrant Certificate No. B-1, dated May 1, 2024, issued by the Company to HPC III Kaizen L.P. (Incorporated by reference to the Closing 8-K).
4.8	Warrant Certificate No. B-2, dated May 1, 2024, issued by the Company to HPS Special Situations Opportunity Fund II, L.P. (Incorporated by reference to the Closing 8-K).
4.9	Warrant Certificate No. B-3, dated May 1, 2024, issued by the Company to SSOF II BH US Subsidiary, L.P. (Incorporated by reference to the Closing 8-K).
4.10	Warrant Certificate No. B-4, dated May 1, 2024, issued by the Company to HPS Corporate Lending Fund (Incorporated by reference to the Closing 8-K).
4.11	Warrant Certificate No. B-5, dated May 1, 2024, issued by the Company to HPS Corporate Capital Solutions Fund (Incorporated by reference to the Closing 8-K).
4.12	Registration Rights Agreement dated May 1, 2024 by and among the Company, HPC III Kaizen L.P., HPS Special Situations Opportunity Fund II, L.P., SSOF II BH US Subsidiary, L.P., HPS Corporate Lending Fund and HPS Corporate Capital Solutions Fund (Incorporated by reference to the Closing 8-K).
4.13*	Description of securities registered under Section 12 of the Securities Exchange Act of 1934
10.1	Form of Indemnity Agreement (Incorporated by reference to Amendment No. 1 to Form S-1 filed on June 30, 2011).
10. 2†	Amended and Restated Employment Agreement, dated October 30, 2017, by and between The ONE Group Hospitality, Inc. and Jonathan Segal (Incorporated by reference to Form 8-K filed on November 3, 2017).
10.3†	The One Group Hospitality, Inc. 2019 Equity Incentive Plan (Incorporated by reference to Appendix A to the Proxy Statement filed on April 8, 2022).
10.4†	Amended and Restated Employment Agreement between Emanuel N. Hilario and The ONE Group Hospitality, Inc. dated September 2, 2022 (Incorporated by reference to Form 8-K filed on September 7, 2022).
10.5†	Notice of Grant of Restricted Stock Units dated September 24, 2021 between Emanuel N. Hilario and The ONE Group Hospitality, Inc. (Incorporated by reference to Form 8-K filed on September 28, 2021).
10.6†	Notice of Grant of Restricted Stock Units (Time-vesting) dated September 2, 2022 between Emanuel N. Hilario and The ONE Group Hospitality, Inc. (Incorporated by reference to Form 8-K filed on September 7, 2022).
10.7†	Notice of Grant of Restricted Stock Units (Performance-vesting) dated September 2, 2022 between Emanuel N. Hilario and The ONE Group Hospitality, Inc. (Incorporated by reference to Form 8-K filed on September 7, 2022).
10.8†	Employment Letter Agreement with Tyler Loy Effective April 1, 2019 (Incorporated by reference to Exhibit 10.7 to Form 10-K filed on March 26, 2020).
10.9	Credit Agreement dated May 1 2024 with Deutsche Bank AG New York Branch, HPS Investment Partners, LLC, HG Vora Capital Management, LLC and certain of their respective affiliates and subsidiaries (Incorporated by reference to the Closing 8-K).
10.10	First Amendment to Credit and Guaranty Agreement dated July 24, 2024 between The ONE Group, LLC, certain other parties, and Deutsche Bank AG New York Branch, as administrative agent for the lenders (Incorporated by reference to the Form 10-Q filed on November 7, 2024).
10.11†	Form of Stock Option Grant Notice (2019 Equity Incentive Plan) (Incorporated by reference to the Form 8-K filed on April 4, 2024)
10.12†	Form of Restricted Stock Unit Grant Notice and Agreement (Incorporated by reference to Exhibit 10.10 to Form 10-K filed on March 26, 2020).
19.1*	The ONE Group Hospitality, Inc. Insider Trading Policy
21.1*	List of Subsidiaries.
23.1*	Consent of Deloitte & Touche LLP
31.1*	Certification of Emanuel Hilario, Chief Executive Officer, pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
31.2*	Certification of Tyler Loy, Chief Financial Officer, pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
32.1**	Certification of Emanuel Hilario, Chief Executive Officer, pursuant to Section 906 of the Sarbanes – Oxley Act of 2002, 18 U.S.C. Section 1350.
32.2**	Certification of Tyler Loy, Chief Financial Officer, pursuant to Section 906 of the Sarbanes – Oxley Act of 2002, 18 U.S.C. Section 1350.

97.1	The ONE Group Hospitality, Inc. Clawback Policy (Incorporated by reference to Form 10-K filed on March 14, 2024).
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
104	Cover Page Interactive Date File (formatted in iXBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.
† Management contract or compensatory plan or arrangement.

THE ONE GROUP HOSPITALITY, INC.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The ONE Group Hospitality, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The One Group Hospitality Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 10, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matters – Refer to Notes 1 and 3 to the financial statements

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

Acquisition of Safflower Holdings Corp

Critical Audit Matter Description

The Company completed the acquisition of Safflower Holdings Corp (“Safflower”) for $365 million on May 1, 2024. The Company accounted for the acquisition under the acquisition method of accounting for business combinations. Accordingly, the Company allocated the purchase price, on a preliminary basis, to the assets acquired and liabilities assumed based on their estimated fair value including tradenames, property and equipment and operating leases.

Management estimated the fair value of these intangible assets and liabilities utilizing an income approach. The fair value determination of the trade names required management to make several assumptions, the most significant of which were the forecasted revenue growth rates and discount rate.

Management estimated the fair value of property and equipment utilizing the cost approach. This fair value determination required management to make significant assumptions related to costs to acquire comparable assets.

Management estimated the fair value of assumed leases using the market rent sales comparison method and the rent as a percent of sales method to conclude on each individual lease's favorability. This determination required management to make significant assumptions related to the selection of market rent comparisons.

We identified the valuation of the Safflower trade names, property and equipment, and operating leases as a critical audit matter because of the judgement involved in determining the appropriate assumptions used by the Company to estimate the fair value of these assets and liabilities. The most significant assumptions used to estimate fair value include the revenue growth rates and discount rate, used to value the trade names, the costs to acquire comparable assets used to value the property and equipment and the market rent comparisons used to value the leases, and the selection of the related valuation methodologies. This required a high degree of auditor judgement and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the assumptions listed above included the following, among others:

- We evaluated the design and operating effectiveness of controls over the valuation of the tangible and intangible assets acquired, including management's controls over the revenue growth rates, discount rate, costs to acquire comparable assets, market rent comparisons, and the selection of valuation methodologies.
- We obtained an understanding of management's key assumptions in developing the revenue growth rates.
- We assessed the reasonableness of management's forecasts of future revenue growth rates by comparing the projections to historical results and revenue growth industry data.
- We evaluated whether the estimated future revenue growth rates were consistent with projections used by the Company, as well as evidence obtained in other areas of the audit.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodologies and the discount rate as detailed below:
    - Intangible Assets:
        - Compared the valuation methodologies applied to intangible assets to acceptable valuation methods for the applicable assets.
        - Tested the mathematical accuracy of the calculations.
        - Tested the underlying source information used to support the discount rate.
        - Developed a range of independent estimates and compared those to the discount rate selected by management.
    - Property & Equipment:
        - Tested the source information and compared the valuation methodology applied to property and equipment to acceptable valuation methodologies.
        - Tested appropriate inputs were utilized based on type and age of assets.
        - Tested the mathematical accuracy of the calculations.
    - Leases:
        - Performed an above/below market value assessment for acquired leasehold interests.
        - Compared the valuation methodologies applied to leases to acceptable valuation methods.
        - Conducted independent research and analysis to identify market rents at comparable properties.
        - Tested the mathematical accuracy of the calculations.

Long Lived Impairment— Refer to Note 2 to the financial statements

Critical Audit Matter Description

Long-lived assets, which includes property and equipment and right-of-use assets for operating leases, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values of these assets may not be fully recoverable. The impairment evaluation is performed at the individual restaurant level. Recoverability of restaurant assets is measured by a comparison of the carrying amount of an individual restaurant's assets to the estimated undiscounted future cash flows expected to be generated by those restaurant assets. If the carrying amount of an individual restaurant's assets exceeds its estimated undiscounted future cash flows an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds its fair value. The estimated fair value is determined for these assets in accordance with ASC 820, Fair Value Measurement. Property and equipment, net, and the Operating lease right-of-use assets as of December 31, 2024 were $276.1 million and $291.8 million, respectively. For the year ended December 31, 2024, no impairment loss related to long-lived assets was recognized.

For certain asset groups, we identified the impairment of long-lived assets as a critical audit matter because of the significant estimates and assumptions management makes to evaluate the recoverability of long-lived assets. This required a high degree of auditor judgement and an increased extent of effort when performing audit procedures to evaluate whether management appropriately identified impairment indicators and the reasonableness of management's undiscounted future cash flows analysis.

How the Critical Audit Matter Was Addressed in the Audit

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

- We tested the effectiveness of internal controls over the Company's long lived asset impairment indicator evaluation and undiscounted future cash flow analysis.
- We evaluated the Company's evaluation of impairment indicators by:
  - Testing long-lived restaurant assets for indications of impairment, including evaluating locations with current period losses or projected losses,
  - Performing inquiries of management regarding the process and assumptions used to identify potential indicators of impairment and evaluating the consistency of the assumptions with evidence obtained in other areas of the audit, and
  - Inspecting minutes of the board of directors, the Company's public statements, operating plans, and industry data to identify any evidence that may contradict management's assumptions.
- We evaluated the reasonableness of management's undiscounted future cash flows analysis by comparing management's projections to (1) the Company's historical results, (2) internal communications to management and the Board of Directors, (3) external communications made publicly by management, and (4) industry data.
- We tested the completeness and accuracy of the underlying source information used by management to identify quantitative indicators of impairment.

/s/ Deloitte & Touche LLP

Denver, Colorado
March 10, 2025

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

THE ONE GROUP HOSPITALITY, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share information)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 27,576	$ 21,047
Credit card receivable	10,477	7,234
Restricted cash and cash equivalents	499	—
Accounts receivable	12,294	10,030
Inventory	11,318	6,184
Other current assets	6,786	1,809
Due from related parties	376	376
Total current assets	69,326	46,680
Property and equipment, net	276,120	139,908
Operating lease right-of-use assets	260,204	95,075
Goodwill	155,783	—
Intangibles, net	133,111	15,306
Deferred tax assets, net	53,682	14,757
Other assets	9,030	4,636
Security deposits	2,097	883
Total assets	$ 959,353	$ 317,245
LIABILITIES, SERIES A PREFERRED STOCK AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 30,883	$ 19,089
Accrued payroll expenses	23,897	5,655
Accrued expenses	48,339	22,678
Current portion of operating lease liabilities	14,998	6,897
Deferred gift card revenue and other	6,540	2,077
Current portion of long-term debt	6,125	1,500
Other current liabilities	313	266
Total current liabilities	131,095	58,162
Long-term debt, net of current portion, unamortized discount and debt issuance costs	328,110	70,410
Operating lease liabilities, net of current portion	291,785	120,481
Other long-term liabilities	5,758	832
Total liabilities	756,748	249,885
Commitments and contingencies (Note 17)		
Series A preferred stock, $0.0001 par value, 160,000 shares authorized; 160,000 issued and outstanding at December 31, 2024 and 0 issued and outstanding at December 31, 2023	158,085	—
Stockholders' equity:		
Common stock, $0.0001 par value, 75,000,000 shares authorized; 33,994,140 issued and 31,037,843 outstanding at December 31, 2024 and 33,560,428 shares issued and 31,283,975 outstanding at December 31, 2023	3	3
Preferred stock, other than Series A preferred stock, $0.0001 par value, 9,840,000 shares authorized; no shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	—	—
Treasury stock, at cost, 3,019,654 shares at December 31, 2024 and 2,276,453 shares at December 31, 2023	(18,202)	(15,051)
Additional paid-in capital	68,392	58,270
Retained earnings	—	28,884
Accumulated other comprehensive loss	(3,028)	(2,930)
Total stockholders' equity	47,165	69,176
Noncontrolling interests	(2,645)	(1,816)
Total stockholders' equity	44,520	67,360
Total liabilities, Series A preferred stock and stockholders' equity	$ 959,353	$ 317,245

See notes to the consolidated financial statements.

THE ONE GROUP HOSPITALITY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except earnings per share and related share information)

	For the year ended December 31, 2024	For the year ended December 31, 2023
Revenues:		
Owned restaurant net revenue	$ 658,915	$ 317,366
Management, license, franchise and incentive fee revenue	14,429	15,403
Total revenues	673,344	332,769
Cost and expenses:		
Owned operating expenses:		
Owned restaurant cost of sales	138,794	75,727
Owned restaurant operating expenses	411,798	191,250
Total owned operating expenses	550,592	266,977
General and administrative (including stock-based compensation of $6,017 and $5,032 for the years ended December 31, 2024 and 2023, respectively)	44,170	30,751
Depreciation and amortization	34,096	15,664
Transition and integration expenses	13,681	—
Pre-opening expenses	9,488	8,855
Transaction and exit costs	9,326	207
Lease termination expenses	1,096	—
Other expenses	124	1,021
Total costs and expenses	662,573	323,475
Operating income	10,771	9,294
Other expenses, net:		
Interest expense, net of interest income	31,109	7,028
Loss on early debt extinguishment	4,149	—
Total other expenses, net	35,258	7,028
(Loss) income before benefit for income taxes	(24,487)	2,266
Benefit for income taxes	(7,834)	(1,760)
Net (loss) income	(16,653)	4,026
Less: net loss attributable to noncontrolling interest	(829)	(692)
Net (loss) income attributable to The ONE Group Hospitality, Inc.	$ (15,824)	$ 4,718
Series A Preferred Stock paid-in-kind dividend and accretion	(19,142)	—
Net (loss) income available to common stockholders	$ (34,966)	$ 4,718
Net (loss) income attributable to The ONE Group Hospitality, Inc. per share:		
Basic (loss) net income per share	$ (1.12)	$ 0.15
Diluted (loss) net income per share	$ (1.12)	$ 0.15
Shares used in computing basic (loss) income per share	31,154,765	31,556,437
Shares used in computing diluted (loss) income per share	31,154,765	32,287,864

See notes to the consolidated financial statements.

THE ONE GROUP HOSPITALITY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited, in thousands)

	For the year ended December 31,	
	2024	**2023**
Net (loss) income	$ (16,653)	$ 4,026
Currency translation loss	(98)	(61)
Comprehensive (loss) income	(16,751)	3,965
Less: comprehensive loss attributable to noncontrolling interest	(829)	(692)
Comprehensive (loss) income attributable to The ONE Group Hospitality, Inc.	(15,922)	4,657
Series A Preferred Stock paid-in-kind dividend and accretion	(19,142)	—
Comprehensive (loss) income attributable to common stockholders	$ (35,064)	$ 4,657

THE ONE GROUP HOSPITALITY, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except share information)

	Series A Preferred stock		Common stock		Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Stockholders' equity	Noncontrolling interests	Total
	Shares	Amount	Shares	Par value							
Balance at January 1, 2023	—	$ —	31,735,423	$ 3	$ (7,169)	$ 55,583	$ 24,166	$ (2,869)	$ 69,714	$ (1,124)	$ 68,590
Stock-based compensation	—	—	79,445	—	—	5,032	—	—	5,032	—	5,032
Exercise of stock options and warrants	—	—	162,000	—	—	310	—	—	310	—	310
Issuance of vested restricted shares, net of tax withholding	—	—	488,988	—	—	(2,655)	—	—	(2,655)	—	(2,655)
Purchase of treasury stock	—	—	(1,181,881)	—	(7,882)	—	—	—	(7,882)	—	(7,882)
Loss on foreign currency translation, net	—	—	—	—	—	—	—	(61)	(61)	—	(61)
Net income (loss)	—	—	—	—	—	—	4,718	—	4,718	(692)	4,026
Balance at December 31, 2023	—	$ —	31,283,975	$ 3	$ (15,051)	$ 58,270	$ 28,884	$ (2,930)	$ 69,176	$ (1,816)	$ 67,360
Stock-based compensation	—	—	175,307	—	—	6,018	—	—	6,018	—	6,018
Exercise of stock options and warrants	—	—	50,000	—	—	242	—	—	242	—	242
Issuance of vested restricted shares, net of tax withholding	—	—	271,762	—	—	(827)	—	—	(827)	—	(827)
Purchase of treasury stock	—	—	(743,201)	—	(3,151)	—	—	—	(3,151)	—	(3,151)
Warrants	—	—	—	—	—	10,771	—	—	10,771	—	10,771
Series A preferred stock issuance	160,000	138,943	—	—	—	—	—	—	—	—	—
Series A Preferred Stock paid-in-kind dividend and accretion	—	19,142	—	—	—	(6,082)	(13,060)	—	(19,142)	—	(19,142)
Loss on foreign currency translation, net	—	—	—	—	—	—	—	(98)	(98)	—	(98)
Net loss	—	—	—	—	—	—	(15,824)	—	(15,824)	(829)	(16,653)
Balance at December 31, 2024	160,000	$ 158,085	31,037,843	$ 3	$ (18,202)	$ 68,392	$ —	$ (3,028)	$ 47,165	$ (2,645)	$ 44,520

See notes to the consolidated financial statements.

THE ONE GROUP HOSPITALITY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended December 31, 2024	2023
Operating activities:		
Net (loss) income	$ (16,653)	$ 4,026
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	34,096	15,664
Non-cash exit costs	692	—
Stock-based compensation	6,017	5,032
Non-cash loss on early debt extinguishment	1,674	—
Amortization of debt issuance costs and debt original discounts	2,635	745
Deferred taxes	(8,580)	(2,434)
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable	296	(2,056)
Inventory	(729)	(456)
Other current assets	139	340
Security deposits	(497)	(30)
Other assets	(3,133)	(552)
Accounts payable	3,121	2,911
Accrued expenses	16,053	1,608
Operating lease liabilities and right-of-use assets	7,441	5,880
Other liabilities	1,616	103
Net cash provided by operating activities	44,188	30,781
Investing activities:		
Acquisition related payments, net of cash acquired	(369,838)	—
Purchase of property and equipment	(71,555)	(53,550)
Net cash used in investing activities	(441,393)	(53,550)
Financing activities:		
Borrowings of long-term debt	333,829	—
Repayments of long-term debt and financing lease liabilities	(75,471)	(1,021)
Issuance of Series A preferred stock net of discount	138,943	—
Issuance of warrants to Series A preferred stockholders	10,771	—
Exercise of stock options	242	310
Tax-withholding obligation on stock-based compensation	(827)	(2,655)
Purchase of treasury stock	(3,151)	(7,882)
Net cash provided by (used in) financing activities	404,336	(11,248)
Effect of exchange rate changes on cash	(103)	(57)
Net increase (decrease) in cash and cash equivalents	7,028	(34,074)
Cash and cash equivalents, beginning of year	21,047	55,121
Cash and cash equivalents, end of year	$ 28,075	$ 21,047
Supplemental disclosure of cash flow data:		
Interest paid, net of capitalized interest	$ 24,501	$ 5,313
Income taxes paid, net of refunds	$ 497	$ 720
Accrued purchases of property and equipment	$ 11,194	$ 12,575
Reconciliation of cash and cash equivalents and restricted cash and cash equivalents		
Cash and cash equivalents	27,576	21,047
Restricted cash and cash equivalents	499	—
Total cash and cash equivalents and restricted cash and cash equivalents as shown in the statement of cash flows	$ 28,075	$ 21,047

See notes to the consolidated financial statements.

THE ONE GROUP HOSPITALITY, INC.
Notes to Consolidated Financial Statements

Note 1 – Description of Business

The ONE Group Hospitality, Inc. and its subsidiaries (collectively, the "Company") is an international restaurant company that develops, owns and operates, manages and licenses upscale and polished casual, high-energy restaurants and lounges and provides turn-key food and beverage ("F&B") services and consulting services for hospitality venues including hotels, casinos and other high-end locations. Turn-key F&B services are food and beverage services that can be scaled, customized and implemented by the Company at a particular hospitality venue and customized for the client. As of December 31, 2024, the Company's primary restaurant brands are STK, a modern twist on the American steakhouse concept featuring premium steaks, seafood and specialty cocktails in an energetic upscale atmosphere, Benihana, an interactive dining destination with highly skilled chefs preparing food in front of guests and served in an energetic atmosphere alongside fresh sushi and innovative cocktails, Kona Grill, a polished casual bar-centric grill concept featuring American favorites, award-winning sushi, and specialty cocktails in a polished casual atmosphere, and RA Sushi, a Japanese cuisine concept that offers a fun-filled, bar-forward, upbeat, and vibrant dining atmosphere anchored by creative sushi, inventive drinks, and outstanding service.

On May 1, 2024, the Company acquired 100% of the issued and outstanding equity interests of Safflower Holdings Corp. from Safflower Holdings LLC (the "Benihana Acquisition"). Safflower Holdings Corp. beneficially owns most of the Benihana restaurants, as well as all of the RA Sushi restaurants, in the United States. It also franchises Benihana locations in the U.S., Latin America (excluding Mexico) and the Caribbean. Refer to Note 3 – Benihana Acquisition for additional information.

As of December 31, 2024, the Company owned, operated, managed, franchised or licensed 167 venues, including 30 STKs, 85 Benihanas, 27 Kona Grills and 16 RA Sushis in major metropolitan cities in North America, Europe, Latin America and the Middle East and 9 F&B venues in four hotels and casinos in the United States and Europe. For those restaurants and venues that are managed, licensed or franchised, the Company generates management and franchise fees based on top-line revenues and incentive fee revenue based on a percentage of the location's revenues and net profits.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany accounts and transactions have been eliminated in consolidation.

Prior Period Reclassifications

Certain reclassifications of the consolidated balance sheet as of December 31, 2023 have been made to conform to current year presentation. The Company has reclassified credit card receivables of $7.2 million to be presented within credit card receivables from accounts receivable and accrued payroll expenses of $5.7 million to be presented within accrued payroll expenses from accrued expenses. Note 2 – Summary of Significant Accounting Policies and Note 5 - Accrued Expenses were conformed to the current year presentation discussed above.

Certain reclassifications were also made to conform the prior period segment reporting to the current year segment presentation. Refer to Note 15 – Segment Reporting for additional information regarding the Company's reportable operating segments.

Certain reclassifications were also made to align our international revenues and long-term assets with the Company's classification of domestic and international venues. These reclassifications are not material.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions for the reporting period and as of the reporting date. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingencies. Actual results could differ from those estimates.

Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Assets and liabilities are valued based upon observable and non-observable inputs. Valuations using Level 1 inputs are based on unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date. Level 2 inputs utilize significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly. Valuations using Level 3 inputs are based on significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. There were no significant transfers between levels during any period presented.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand and highly liquid instruments with original maturities of three months or less when purchased. The Company's cash and cash equivalents consist of cash in banks and at the restaurants as of December 31, 2024 and 2023.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are accounts that are restricted to funding payment of employee benefits and collateral accounts relating to liquor license bonds.

Credit card receivable

The Company's credit card receivables arise from credit cards payments that are in transit from the credit card processor to the Company.

Accounts Receivable

The Company's receivables arise from management, license and franchise agreements, trade customers and other reimbursable amounts due from hotel operators where the Company operates a food and beverage service. Accounts receivable from third-party delivery services at December 31, 2024 and 2023 was $1.3 million and $0.4 million, respectively. Receivables from the Company's management, license, franchise and hotel partners were $6.3 million and $8.2 million at December 31, 2024 and 2023, respectively.

Inventory

Inventories, which consist of food, liquor and other beverages, are stated at the lower of cost or net realizable value. Cost is determined by the first in, first out method. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs to sell. As of December 31, 2024 and 2023, food inventories were $6.7 million and $4.0 million, respectively, and beverage inventories were $4.5 million and $2.2 million, respectively.

Goodwill

Goodwill consists of goodwill associated with the Benihana Acquisition. Goodwill is not amortized and is tested for impairment annually on November 1st or on an interim basis whenever events or changes in circumstances indicated a potential impairment.

Property and Equipment

Additions to property and equipment, including leasehold improvements, are recorded at cost while costs incurred to repair and maintain the Company's operations and equipment are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts, and any gain or loss on retirements is reflected in operating income in the year of disposition.

Computers and equipment as well as furniture and fixtures are depreciated over their useful lives from three to fifteen years. Leasehold improvements are depreciated over the shorter of their estimated useful lives or the remaining term of the associated lease. Lease terms begin on the date the Company takes possession under the lease and include option periods where failure to exercise such options would result in an economic penalty.

Other Assets

Other assets include liquor license acquisition costs and costs to fulfill obligations under the Company's management and license agreements.

Intangible Assets

Intangible assets consist of the following (in thousands):

	December 31, 2024	December 31, 2023
Indefinite-lived intangible assets		
Tradenames	$ 134,400	$ 17,400
Finite-lived intangible assets		
Franchise agreements	800	—
Other finite-lived intangible assets	152	101
Total finite-lived intangible assets	952	101
Less: accumulated amortization	(2,241)	(2,195)
Total intangibles, net	$ 133,111	$ 15,306

Intangible assets consist of the indefinite-lived "Benihana", "Kona Grill" and "RA Sushi" trade names and other finite-lived intangible assets that are amortized using the straight-line method over their estimated useful life of 10 to 15 years. The amortization expense was \$0.1 million and nominal for the years ended 2024 and 2023, respectively. The Company's estimated aggregate amortization expense for each of the five succeeding fiscal years is 0.1 million annually.

Impairment of Long-Lived Assets

Long-lived assets, which include property and equipment and right-of-use assets for operating leases, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be fully recoverable. The impairment evaluation is generally performed at the individual restaurant level, as we believe this is the lowest level of identifiable cash flows. We believe that historical cash flows, in addition to other relevant facts and circumstances, are the primary basis for estimating future cash flows. Relevant facts and circumstances include, among others, significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the overall business, and significant negative industry or economic trends. Recoverability of restaurant assets is measured by a comparison of the carrying amount of an individual restaurant's assets to the estimated identifiable undiscounted future cash flows exclusive of operating lease payments, expected to be generated by those restaurant assets. This process requires the use of estimates and assumptions, which are subject to a high degree of judgment. If the carrying amount of an individual restaurant's assets exceeds its estimated undiscounted future cash flows, exclusive of operating lease payments, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds its fair value. The estimated fair value is determined for these assets in accordance with ASC 820, Fair Value Measurement. Property and equipment, net of accumulated depreciation and the operating lease right-of-use assets as of December 31, 2024 were \$276.1 million and

$260.2 million, respectively. For the year ended December 31, 2024, no impairment loss related to long-lived assets has been recognized.

Debt Issuance Costs

Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense based on the term of the related debt agreement using the straight-line method, which approximates the effective interest method. The Company has recorded debt issuance costs related to the revolving credit facility in other assets on the consolidated balance sheets. The portion of debt issuance costs related to the term loan and delayed draw term loan is recorded in long-term debt, net of current portion on the consolidated balance sheets.

Income Taxes

The Company computes income taxes using the asset and liability method. Under this method, deferred income taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes, using the enacted statutory rate in effect for the year these differences are expected to be taxable or refunded. Deferred income tax expenses or credits are based on the changes in the asset or liability, respectively, from period to period. A deferred tax asset or liability is recognized whenever there are future tax effects from existing temporary differences and operating loss and tax credit carry-forwards. If the Company determines that a deferred tax asset or liability could be realized in a greater or lesser amount than recorded, the deferred tax asset or liability is adjusted and a corresponding adjustment is made to the benefit for income taxes in the consolidated statements of operations in the period during which the determination is made.

The Company reduces its deferred tax assets by a valuation allowance if it determines that it is more likely than not that some portion or all of these tax assets will not be realized. In making this determination, the Company considers various qualitative and quantitative factors, such as:

- the level of historical taxable income;
- the projection of future taxable income over periods in which the deferred tax assets would be deductible;
- events within the restaurant industry;
- the health of the economy; and
- historical trending.

The recording of deferred taxes requires significant management judgment regarding the interpretation of applicable statutes, the status of various income tax audits, and particular facts and circumstances.

The Company recognizes the tax benefit from an uncertain tax position when it determines that it is more-likely-than-not that the position would be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. If the Company derecognizes an uncertain tax position, the Company’s policy is to record any applicable interest and penalties within the benefit for income taxes in the consolidated statements of operations.

Revenue Recognition

Revenue is derived from restaurant sales, management services and license related operations.

The Company recognizes restaurant revenues, net of discounts, when goods and services are provided. Sales tax amounts collected from customers that are remitted to governmental authorities are excluded from net revenue.

Management agreements typically call for a management fee based on a percentage of revenue, a monthly marketing fee based on a percentage of revenues and an incentive fee based on a managed venue’s net profits. Similarly, royalties from the licensee in license agreements are generally based on a percentage of the licensed restaurant’s revenue. These management, license, franchise and incentive fees are recognized as revenue in the period the restaurant’s sales occur.

The Company recognizes initial licensing fees and upfront fees related to management and license agreements on a straight-line basis over the term of the agreement as a component of management, license, franchise and incentive fee revenue on the consolidated statements of operations.

The Company has a loyalty program for Kona Grill, "Konavore", to encourage customers to frequent its restaurants. The loyalty rewards program awards a customer one point for every dollar spent. When a customer is part of the rewards program, the obligation to provide future discounts related to points earned is considered a separate performance obligation, to which a portion of the transaction price is allocated. The performance obligation related to loyalty points is deemed to have been satisfied, and the amount deferred in the balance sheet is recognized as revenue, when the points are converted to a reward and redeemed, or the likelihood of redemption is remote. A portion of the transaction price is allocated to loyalty points, if necessary, on a pro-rata basis, based on the stand-alone selling price, as determined by menu pricing and loyalty points terms. As of December 31, 2024 and 2023 the deferred revenue allocated to loyalty points that have not been redeemed was $0.2 million, which is recorded as a component of accrued expenses in the accompanying consolidated balance sheets. The Company expects the loyalty points to be redeemed and recognized over a one-year period.

Gift Cards

Proceeds from the sale of gift cards are recorded as deferred revenue and recognized as revenue when redeemed by the holder. There are no expiration dates on the Company's gift cards and the Company does not charge any service fees that would result in a decrease to a customer's available balance.

Although the Company will continue to honor all gift cards presented for payment, it may determine the likelihood of redemption to be remote for certain gift cards due to, among other things, long periods of inactivity. In these circumstances, to the extent the Company determines there is no requirement for remitting balances to government agencies under unclaimed property laws, outstanding gift card balances may then be recognized as breakage in the consolidated statements of operations as a component of owned restaurant net revenue. For the years ended December 31, 2024 and 2023, the Company recognized $1.5 million and $0.1 million, respectively, in revenue from gift card breakage.

Pre-opening Costs

Pre-opening costs for Company owned restaurants are expensed as incurred prior to a restaurant opening for business. Pre-opening costs for the years ended December 31, 2024 and 2023 were $9.5 million and $8.9 million, respectively.

Advertising Costs

The Company expenses the cost of advertising and promotions as incurred. Advertising expense was $21.8 million and $10.4 million for the years ended December 31, 2024 and 2023, respectively.

Leases

Contracts are evaluated to determine whether they contain a lease at inception. The Company's contracts determined to be or contain a lease include explicitly or implicitly identified assets where the Company has the right to substantially all of the economic benefits of the assets and has the ability to direct how and for what purpose the assets are used during the lease term. If it is determined that the contract contains an operating lease, a right-of-use asset and operating lease liability are recorded on the consolidated balance sheets. A right-of-use asset represents the Company's right to use the underlying asset and the lease liability represents the Company's contractually obligated payments. Both the right-of-use asset and the lease liability are recognized as of the commencement date of the lease and are based upon the present value of lease payments due over the course of the lease. The right-of-use asset is reduced by any lease incentives received. For leases that do not have a rate implicit in the lease, the Company's incremental borrowing rate at the date of commencement is used to determine the present value of the lease payments. The Company's incremental borrowing rate is the rate of interest that it would have to borrow on a collateralized basis over a similar term on an amount equal to the lease payments in a similar economic environment.

The Company enters into contracts to lease office and restaurant space with terms that expire at various dates through 2047. The lease term is the minimum of the noncancelable period of the lease or the lease term inclusive of reasonably certain renewal periods. The Company considers a number of factors when evaluating whether the options in its lease contracts were reasonably certain of exercise, such as length of time before option exercise, expected value of the leased asset at the end of the initial lease term, importance of the lease to overall operations, costs to negotiate a new lease, and any contractual or economic penalties.

Certain of the Company's leases also provide for percentage rent, which are variable lease costs determined as a percentage of gross sales in excess of specified, minimum sales targets, as well as other lease costs to reimburse the lessor for real estate tax and insurance expenses, and certain non-lease components that transfer a distinct service to the Company, such as common area maintenance services. These percentage rents and other variable lease costs are not included in the calculation of lease payments when classifying a lease and in the measurement of the lease liability as they do not meet the definition of in-substance, fixed-lease payments under ASC Topic 842, Leases.

Stock-Based Compensation

The Company maintains an equity incentive compensation plan under which it may grant options, warrants, restricted stock or other stock-based awards to directors, officers, key employees and other key individuals performing services to the Company. Restricted stock and restricted stock units ("RSUs") that vest on the passage of time are valued using the closing stock price on the date of grant. For performance stock units ("PSUs") with both a market condition and time element, the fair value was calculated using the Monte Carlo Simulation.

Under the plan, vesting of awards can either be based on the passage of time or on the achievement of performance goals. For awards that vest on the passage of time, compensation cost is recognized over the vesting period. Additionally, the Company's current PSUs that have been granted, were awarded with both a market condition and time element, as such for these performance stock units, the Company recognizes compensation cost over the requisite service period. The Company estimates forfeitures at the time of grant and revises those estimates in subsequent periods if actual forfeitures differ or are expected to differ.

Earnings per Share

Basic earnings per share is computed using the weighted average number of common shares outstanding during the period and income available to common stockholders. Diluted earnings per share is computed using the weighted average number of common shares outstanding during the period plus the dilutive effect of all potential shares of common stock including common stock issuable pursuant to stock options, warrants, PSUs and RSUs. The two-class method for computing earnings per share will be utilized when applicable. Refer to Note 11 for the calculations of basic and diluted earnings per share.

Segment Reporting

The Company has identified the following three reportable operating segments: STK, Benihana and Grill Concepts. Refer to Note 15 for additional details and certain financial information regarding the Company's operating segments relating to the years ended December 31, 2024 and 2023.

Foreign Currency Translation

Assets and liabilities of foreign operations are translated into U.S. dollars at the balance sheet date. Revenues and expenses are translated at average monthly exchange rates. Gains or losses resulting from the translation of foreign subsidiaries represent other comprehensive income (loss) and are accumulated as a separate component of stockholders' equity. Currency translation gains or losses are recorded in accumulated other comprehensive loss within stockholders' equity and amounted to a loss of approximately $0.1 million during 2024 and 2023.

Comprehensive Income

Comprehensive income consists of two components: net income and other comprehensive income (loss). The Company's other comprehensive income (loss) is comprised of foreign currency translation adjustments. All of the Company's foreign currency translation adjustments relate to wholly owned subsidiaries of the Company.

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure.” The ASU updates reportable segment disclosure requirements, primarily through requiring enhanced disclosures about significant segment expenses and information used to assess segment performance. The ASU is effective for fiscal years beginning after December 15, 2023, with early adoption permitted. The Company has incorporated this ASU into this Annual Report Form 10-K for the year ended December 31, 2024.

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The ASU includes amendments requiring enhanced income tax disclosures, primarily related to standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of adopting this ASU on its disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires detailed disclosure amounts for purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion and amortization as part of oil and gas producing activities in each relevant expense caption on the income statement. The ASU requires companies to include amounts already required by GAAP in the same disclosure, provide a qualitative description of remaining amounts not separately disaggregated, and disclose the total selling expenses along with the definition of selling expenses in annual reports. The amendment is effective for fiscal years beginning after December 15, 2026, with early adoption is permitted. The amendment should be applied prospectively; however retrospective application is permitted. The Company is evaluating the impact of adopting this ASU on its disclosures.

Note 3 – Benihana Acquisition

On May 1, 2024, the Company acquired 100% of the issued and outstanding equity interests of Safflower Holdings Corp. and its affiliates comprising of 93 company owned restaurants and 12 franchised restaurants. The Company purchased the equity for a contractual price of $365.0 million, subject to customary adjustments. The Company believes that Benihana is complementary to its existing brands and will enable the Company to capture market share in the Vibe Dining segment.

The assets and liabilities of Benihana were recorded at their respective fair values as of the date of acquisition. Since the initial valuation, the Company adjusted the fair values for cash and cash equivalents by ($0.1) million, other current assets by $0.2 million, property and equipment by ($0.5) million, operating lease right-of-use assets by $1.2 million, deferred tax assets by $3.5 million, intangible assets by ($13.1) million, goodwill by $10.6 million, accrued expenses by $1.2 million, other current liabilities by ($1.7) million, and operating lease liabilities by $1.2 million to reflect the current fair value valuation and alignment with the Company's accounting policies. The fair values are set forth below (in thousands):

Purchase consideration:		
Contractual purchase price	$	365,000
Cash and cash equivalents, restricted cash and cash equivalents and credit card receivable		25,117
Working capital adjustment		1,151
Cash consideration paid		391,268
Net assets acquired:		
Cash and cash equivalents	$	20,879
Restricted cash and cash equivalents		551
Credit card receivable		3,687
Inventory		4,405
Other current assets		7,471
Property and equipment		102,552
Operating lease right-of-use assets		182,346
Deferred tax assets, net		30,345
Intangible assets		117,800
Other assets		2,899
Accounts payable		(9,851)
Accrued expenses		(30,375)
Other current liabilities		(3,639)
Operating lease liabilities		(189,181)
Other long-term liabilities		(4,404)
Total net assets acquired		235,485
Goodwill	$	155,783

The excess of the purchase price over the aggregate fair value of net assets acquired was allocated to goodwill at Benihana. The portion of the purchase price attributable to goodwill represents benefits expected because of the acquisition, including sales and unit growth opportunities in addition to supply-chain and support-cost synergies. The Benihana and RA Sushi tradenames have an indefinite life based on the expected use of the asset and the regulatory and economic environment within which it is being used. The tradenames represent highly respected brands with positive connotations, and the Company intends to cultivate and protect the use of the brands. Goodwill and indefinite-lived tradenames are not amortized but are reviewed annually for impairment or more frequently if indicators of impairment exist. Goodwill is not deductible for tax purposes as the Benihana Acquisition was a stock transaction.

As a result of the Benihana Acquisition, the Company incurred approximately $8.8 million of transaction costs during 2024, which are included in transaction and exit costs in the consolidated statements of operations. The Company incurred $13.7 million for transition and related integration efforts in 2024. Since the acquisition date, the Benihana Acquisition resulted in actual revenues of $339.7 million and net loss of $4.5 million in the consolidated statements of operations. The net loss that resulted from the Benihana Acquisition is primarily due to the allocation of interest expense, transaction, transition and integration expenses.

The following unaudited pro forma results of operations for December 31, 2024 and 2023 give effect to the Benihana Acquisition as if it had occurred on January 1, 2023 (in thousands):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Total Revenues	$ 846,881	$ 858,821
Net income as reported	$ 33,053	$ 8,600
Adjustments:		
Transaction and exit costs	14,616	(14,616)
Transition and integration costs	13,681	(13,681)
Loss on early debt extinguishment	4,149	(4,149)
Purchase price accounting adjustments(1)	9,744	939
Change in interest expense	1,267	3,653
Pro forma net income (loss) before income taxes	76,510	(19,255)
Income tax effect of adjustments	(3,259)	1,932
Change in valuation allowance	(59,925)	—
Pro forma net income (loss)	$ 13,326	$ (17,323)

(1) Purchase price accounting adjustments include the elimination of Benihana's impairment charges and changes to depreciation

The most significant adjustments included in the pro forma financial information are the elimination of the release of Benihana's valuation allowance, elimination of Benihana's impairment charges, movement of transaction, transition, integration and debt extinguishment costs, and increased interest expense associated with debt incurred to fund the Benihana Acquisition, all giving effect as if the acquisition had occurred on January 1, 2023.

In the opinion of the Company's management, the unaudited pro forma financial information includes all significant necessary adjustments that can be factually supported to reflect the effects of the Benihana Acquisition and related transactions. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what actual results of operations would have been had the Benihana Acquisition and related transactions been completed as of January 1, 2023 or that may be achieved in the future.

Note 4 – Property and Equipment, net

Property and equipment, net consist of the following (in thousands):

	December 31, 2024	December 31, 2023
Furniture, fixtures and equipment	$ 80,362	$ 49,753
Leasehold improvements	247,575	130,136
Less: accumulated depreciation	(88,638)	(60,128)
Subtotal	239,299	119,761
Construction in progress	31,982	17,044
Restaurant smallwares	4,839	3,103
Total	$ 276,120	$ 139,908

Depreciation related to property and equipment amounted to $33.5 million and $15.1 million for the years ended December 31, 2024 and 2023, respectively. The Company depreciates construction in progress upon such assets being placed into service.

Note 5 – Accrued Expenses

Accrued expenses consist of the following (in thousands):

	December 31, 2024	December 31, 2023
VAT and sales taxes	10,120	4,238
New restaurant construction	6,923	6,318
Interest	6,681	2,396
Amounts due to landlords	5,339	2,753
Insurance	4,388	545
Legal, professional and other services	1,692	1,364
Income taxes and related	471	30
Other (1)	12,725	5,034
Total	$ 48,339	$ 22,678

(1) Amount primarily relates to recurring restaurant operating expenses.

Note 6 – Long Term Debt

Long-term debt consists of the following (in thousands):

	December 31, 2024	December 31, 2023
Term loan agreements	$ 348,250	$ 23,750
Revolving credit facility	—	—
Delayed draw term facility	—	49,750
Total long-term debt	348,250	73,500
Less: current portion of long-term debt	(6,125)	(1,500)
Less: debt issuance costs	(534)	(1,590)
Less: debt original issuance discount	(13,481)	—
Total long-term debt, net of current portion	$ 328,110	$ 70,410

Future minimum loan payments:	
2025	$ 6,125
2026	8,750
2027	13,125
2028	17,500
2029	302,750
Total	$ 348,250

Interest expense for the Company's debt arrangements, excluding the amortization of debt issuance costs and fees, was $28.8 million and $7.4 million for the years ended December 31, 2024 and 2023, respectively. Capitalized interest was $2.4 million and $1.6 million for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Company had $6.4 million and $1.4 million in standby letters of credit outstanding for certain restaurants, respectively, and $33.6 million and $10.6 million available in its revolving credit facility, respectively, subject to certain conditions.

Credit and Guaranty Agreement

In connection with the Benihana Acquisition, on May 1, 2024, the Company entered into a credit agreement (the "Credit Agreement") with Deutsche Bank AG New York Branch, Deutsche Bank Securities Inc., HPS Investment Partners, LLC and HG Vora Capital Management, LLC (collectively, the "Lenders"). The Credit Agreement provides a $350.0 million senior secured term loan facility (the "Term Loan Facility") and a $40.0 million senior secured revolving credit facility (the “Revolving Facility”, and together with the Term Loan Facility, the “Facilities”), which allows up to $10.0 million of which will be available in the form of letters of credit. On May 1, 2024, the Company borrowed $350.0 million under the Term Loan Facility and the Revolving Facility was and remains undrawn.

The Term Loan Facility is not subject to a financial covenant and the Revolving Facility’s financial covenant will apply only after 35% of the Revolving Facility’s capacity has been drawn.

The Term Loan Facility bears interest at a margin over a reference rate selected at the option of the borrower. The margin for the Term Loan Facility is 6.5% per annum for SOFR borrowings and 5.5% per annum for base rate borrowings. The Term Loan Facility matures on the fifth anniversary of the date of the related loan agreement. The Term Loan Facility is payable in quarterly installments commencing with the fiscal quarter ending September 30, 2024, and are 1% per annum for the first year (through June 30, 2025), then 2.5% per annum for the next two years (through June 2027), then 5% per annum thereafter through maturity on April 30, 2029.

The Revolving Facility bears interest at a margin over a reference rate selected at the option of the borrower. The margin for the Revolving Facility is set quarterly based on the Company’s Consolidated Net Leverage Ratio for the preceding four fiscal quarters and ranges from 5.5% to 6.0% per annum for SOFR borrowings and 4.5% to 5.0% for base rate borrowings. The Revolving Facility matures on November 1, 2028.

The Company’s weighted average interest rate on the borrowings under the Credit Agreement as of December 31, 2024 was 11.09%.

As of December 31, 2024, the Company had $0.5 million of debt issuance costs and $13.5 million of debt original issuance discount related to the Credit Agreement, which were capitalized and are recorded as a direct deduction to long-term debt and less than $0.1 million in debt issuance costs and $1.5 million of debt original issuance discount recorded in Other Assets on the consolidated balance sheets.

Debt Extinguishment

On October 4, 2019, the Company entered into the credit agreement with Goldman Sachs Bank NA, which was replaced with the Credit Agreement described above on May 1, 2024. The Goldman Sachs credit agreement provided for a secured revolving credit facility of $12.0 million, a $25.0 million term loan and a $50.0 million delayed draw term loan. On May 1, 2024, the outstanding loan balance was repaid and the unamortized debt issuance costs of $1.7 million and fees incurred of $2.4 million were recognized as a loss on early debt extinguishment on the consolidated statements of operations.

Note 7 – Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable, inventory, accounts payable and accrued expenses are carried at cost, which approximates fair value. Long-lived assets are measured and disclosed at fair value on a nonrecurring basis if an impairment is identified. There were no long-lived assets measured at fair value as of December 31, 2024.

The Company’s long-term debt, including the current portion, is carried at cost on the consolidated balance sheets. Fair value of long-term debt, including the current portion, is valued using Level 2 inputs including current applicable rates for similar instruments and approximates the carrying value of such obligations.

The Company’s purchase price allocations for the Benihana Acquisition were measured at fair value on a nonrecurring basis primarily using Level 3 inputs.

Note 8 - Income Taxes

The components of income before benefit for income taxes were as follows (in thousands):

	For the years ended December 31, 2024		For the years ended December 31, 2023	
Domestic	$	(24,509)	$	2,077
Foreign		22		189
Total	$	(24,487)	$	2,266

The components of the Company’s benefit for income taxes were as follows (in thousands):

	For the years ended December 31, 2024		For the years ended December 31, 2023	
Current:				
Federal	$	66	$	—
State and local		544		638
Foreign		143		35
Total current		753		673
Deferred:				
Federal		(7,528)		(2,550)
State and local		(1,059)		117
Foreign		—		—
Total deferred		(8,587)		(2,433)
Total benefit for income taxes	$	(7,834)	$	(1,760)

The Company’s effective tax rate differs from the statutory rates as follows:

	For the years ended December 31, 2024	For the years ended December 31, 2023
Income tax provision at federal statutory rate	21.0%	21.0%
State and local taxes	2.6%	26.5%
FICA tip credit	18.3%	(151.2)%
Compensation subject to IRC Section 162(m)	(3.3)%	52.3%
Equity based compensation	(0.5)%	(33.1)%
Transaction costs	(3.8)%	—%
Non-controlling interest	(0.7)%	6.4%
Other items, net	(1.6)%	0.4%
Effective income tax rate	32.0%	(77.7)%

The income tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities are as follows (in thousands):

	For the years ended December 31, 2024	2023
Deferred tax assets:		
Operating lease liabilities	$ 70,807	$ 23,798
Stock compensation	361	371
FICA tip credit carryforward	49,407	18,312
Net operating loss	7,324	5,543
Goodwill	589	753
Inventory	101	52
Charitable contributions carryforward	37	26
Foreign tax credit carryforward	622	622
Deferred revenue	1,627	126
State and local tax credit carryforward	21	78
Expenses not deductible until paid	2,961	83
IRC 163(j) disallowed interest carryforward	34,002	2,152
Debt issuance costs	—	82
Kona Grill related acquisition costs	621	693
Total deferred tax assets	168,480	52,691
Deferred tax liabilities:		
Operating lease right-of-use assets	(60,600)	(17,360)
Depreciation and amortization	(19,599)	(19,888)
Trademarks and franchise agreements	(30,215)	—
Other	(136)	(64)
Total deferred tax liabilities	(110,550)	(37,312)
Valuation allowance	(4,248)	(622)
Net deferred tax assets	$ 53,682	$ 14,757

Tax Carryforwards

As of December 31, 2024, the Company has federal net operating loss (“NOL”) carryforwards of $15.2 million which have no expiration date. As of December 31, 2024, the Company has federal FICA tip credit carryforwards of $49.4 million which have expiration dates from 2033 through 2045. The Company has various state NOL carryforwards. The determination of the state NOL carryforwards is dependent upon apportionment percentages and state laws that can change from year to year and impact the amount of such carryforwards. As of December 31, 2024, the Company has $4.1 million in state NOL carryforwards after applying applicable apportionment percentages and tax rates. The state NOLs expire at various dates from 2037 to 2044. The state and local tax credit carryforwards of less than $0.1 million expire at various dates from 2025 through 2030.

In assessing the realizability of deferred tax assets, the Company evaluates whether it is more likely than not that the deferred tax assets will be realized. In the assessment of the valuation allowance, appropriate consideration was given to all positive and negative evidence including current operating results, tax planning strategies and forecasts of future earnings. As of both December 31, 2024 and December 31, 2023, the Company had a valuation allowance of $4.2 million and $0.6 million, respectively. The valuation allowance is related to certain foreign tax credits, state NOL carryforwards and a portion of the FICA tip credit carryforward acquired in the Benihana acquisition. The Company does not expect to have the appropriate source of income from various jurisdictions needed in order to utilize its foreign tax credit and certain state NOL carryforwards. Additionally, the Company projects that a portion of its FICA tip credit carryforward acquired as a result of the Benihana acquisition will be statutorily limited prior to expiration.

Uncertain tax positions

The following table summarizes the activity related to the Company's uncertain tax positions (in thousands):

	For the years ended December 31,	
	2024	2023
Balance, beginning of year	$ —	$ 46
Increase related to acquisitions	127	—
Decrease related to prior period positions	—	(46)
Balance, end of year	$ 127	$ —

Included in the balance of unrecognized tax benefits as of December 31, 2024 are tax benefits that, if recognized, would result in adjustments to taxes payable. Management believes it is reasonably possible that a nominal amount of the uncertain tax position as of December 31, 2024 will decrease within the next twelve months. There was no unrecognized tax benefit as of December 31, 2023. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as income tax expense. Related to the unrecognized tax benefits noted above, we accrued interest of $0.2 million as of December 31, 2024.

The Company is subject to income taxes in the U.S. federal jurisdiction, and the various states and local jurisdictions in which it operates. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The Company's federal tax filings remain subject to examination for federal tax years 2021 through 2024. The Company's state and local tax filings remain subject to examination for tax years 2020 through 2023. NOL carryforwards are subject to examination regardless of whether the tax year in which they are generated has been closed by statute. The amount subject to disallowance is limited to the NOL utilized. Accordingly, the Company may be subject to examination for prior NOLs generated as such NOLs are utilized.

The Company's foreign income tax returns prior to fiscal year 2021 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Note 9 – Revenue recognition

The following table provides information about contract liabilities, which include deferred license revenue, deferred gift card revenue, advanced party deposits and the Konavore rewards program (in thousands):

	December 31, 2024	December 31, 2023
Deferred license revenue (1)	204	218
Deferred gift card revenue (2)	5,984	1,716
Advanced party deposits (2)	556	361
Konavore rewards program (3)	201	177

(1) Includes the current and long-term portion of deferred license revenue which are included in other current liabilities and other long-term liabilities on the consolidated balance sheets.
(2) Deferred gift card revenue and advance party deposits on goods and services yet to be provided are included in deferred gift card revenue and other on the consolidated balance sheets.
(3) Konavore rewards program is included in accrued expenses on the consolidated balance sheets.

Revenue recognized during the period from contract liabilities as of the preceding fiscal year end date is as follows (in thousands):

	December 31, 2024	December 31, 2023
Revenue recognized from deferred license revenue	$ 33	$ 79
Revenue recognized from deferred gift card revenue	1,245	1,325
Revenue recognized from advanced party deposits	361	279

The estimated deferred license revenue to be recognized in the future related to performance obligations that are unsatisfied as of December 31, 2024 were as follows for each year ending (in thousands):

2025	$ 45
2026	39
2027	36
2028	36
2029	27
Thereafter	21
Total future estimated deferred license revenue	$ 204

Note 10 – Leases

The components of lease expense for the period were as follows (in thousands):

	December 31, 2024	December 31, 2023
Lease cost		
Operating lease cost	$ 38,254	$ 16,466
Finance lease cost		
Amortization of ROU assets	212	210
Interest on lease liabilities	92	82
Total finance lease cost	304	292
Variable lease cost (1)	16,327	12,158
Short-term lease cost	1,609	1,114
Total lease cost	$ 56,494	$ 30,030
Weighted average remaining lease term		
Operating leases	13 years	13 years
Finance leases	4 years	4 years
Weighted average discount rate		
Operating leases	10.34 %	8.74 %
Finance leases	11.14 %	9.17 %

(1) Variable lease cost is comprised of percentage rent and common area maintenance.

The components of finance lease assets and liabilities on the consolidated balance sheet were as follows (in thousands):

	December 31, 2024	December 31, 2023
Finance lease right-of-use assets (1)	$ 849	$ 850
Current portion of finance lease liabilities (1)	189	222
Long-term portion of finance lease liabilities (1)	754	658

(1) Finance lease assets and liabilities are included in other assets, other current liabilities, and other long-term liabilities on the consolidated balance sheets.

Supplemental cash flow information related to leases for the period was as follows (in thousands):

	December 31, 2024	December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 33,440	$ 14,968
Operating cash flows from finance leases	$ 212	$ 210
Financing cash flows from finance leases	$ 221	$ 271
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 4,156	$ 12,699
Finance leases	$ 64	$ 118

The Company has entered into nine operating leases for future restaurants that have not commenced as of December 31, 2024. The present value of the aggregate future commitment related to these leases totals $17.4 million. The Company expects these leases, which have initial lease terms of 10 to 20 years, to commence within the next twelve months.

As of December 31, 2024, maturities of the Company's operating lease liabilities are as follows (in thousands):

2025	$ 40,988
2026	44,514
2027	45,552
2028	43,053
2029	43,544
Thereafter	381,318
Total lease payments	598,969
Less: imputed interest	(292,186)
Present value of operating lease liabilities	$ 306,783

As of December 31, 2024, maturities of the Company's finance lease liabilities are as follows (in thousands):

2025	$ 342
2026	278
2027	278
2028	255
Total lease payments	1,153
Less: imputed interest	(210)
Present value of finance lease liabilities	$ 943

Note 11 – Earnings per share

Basic earnings per share is computed using the weighted average number of common shares outstanding during the period and income available to common stockholders. Diluted earnings per share is computed using the weighted average number of common shares outstanding during the period plus the dilutive effect of all potential shares of common stock including common stock issuable pursuant to stock options, warrants, and restricted stock units. The two-class method for computing earnings per share will be utilized when applicable.

For the years ended December 31, 2024 and 2023, earnings per share was calculated as follows (in thousands, except earnings per share and related share data):

	Year ended December 31, 2024	Year ended December 31, 2023
Net (loss) income attributable to The ONE Group Hospitality, Inc.	$ (15,824)	$ 4,718
Series A Preferred Stock paid-in-kind dividend and accretion	(19,142)	—
Net (loss) income attributable to common stockholders	(34,966)	4,718
Basic weighted average shares outstanding	31,154,765	31,556,437
Dilutive effect of stock options, warrants and restricted share units	-	731,427
Diluted weighted average shares outstanding	31,154,765	32,287,864
Net income available to common stockholders per share - Basic	$ (1.12)	$ 0.15
Net income available to common stockholders per share - Diluted	$ (1.12)	$ 0.15

For the years ended December 31, 2024 and 2023, stock options, warrants and restricted share units totaling 2.5 million and 0.5 million, respectively, were determined to be anti-dilutive and were therefore excluded from the calculation of diluted earnings per share.

Note 12 – Series A Preferred Stock

On May 1, 2024, the Company issued 160,000 shares of Series A Preferred Stock for $160.0 million, subject to a 5% original issuance discount. Additionally, the Company recorded an additional discount of $2.3 million for expenses paid to the holders of the Series A Preferred Stock in connection with the issuance of the Series A Preferred Stock.

The Series A Preferred Stock is non-voting and non-convertible; has compounding dividends that begin at a rate of 13.0% per annum and increase over time at specified intervals; is subject to optional redemption by the Company and mandatory redemption following specified events and in certain circumstances upon the exercise by the holders of a majority of the outstanding shares of Series A Preferred Stock of an option to deliver written notice to the Company to require redemption, in each case, for specified prices; and gives certain consent rights for the holders of a majority of the outstanding shares of Series A Preferred Stock for specified matters.

The Company records the paid-in-kind dividend and accretion of the Series A Preferred Stock using the effective interest method based on a future redemption value of $247.4 million payable in 2027, the earliest date at which the Company can redeem the Series A Preferred Stock. During the year ended December 31, 2024, the Company recorded paid-in-kind dividends and accretion of the Series A Preferred Stock of $19.1 million.

Redemption Rights

On and after May 1, 2029, holders of the Series A Preferred Stock have the right to require redemption of all or any part of the Series A Preferred Stock for an amount equal to the liquidation preference after the fifth anniversary, upon an acceleration of material indebtedness or upon a change-of-control. However, at any time between the third and fourth anniversary of the issuance date, the Company may repurchase all or some of the preferred stock for 102.5% of the liquidation preference. At anytime after the fourth anniversary, the Company may repurchase all of some of the preferred stock for 100% of the liquidation preference.

Since the redemption of the Series A Preferred Stock is contingently redeemable and therefore not certain to occur, the Series A Preferred Stock is not required to be classified as a liability under ASC 480, Distinguishing Liabilities from Equity. As the Series A Preferred Stock is redeemable in certain circumstances at the option of the holder and is redeemable in certain circumstances upon the occurrence of an event that is not solely within the Company's control, the Series A Preferred Stock is classified separately from stockholders' equity in the consolidated balance sheets.

Note 13 – Stockholders’ Equity

Preferred Stock

The Company is authorized to issue 9,840,000 shares of preferred stock with a par value of $0.0001. There were no shares of preferred stock that were issued or outstanding at December 31, 2024 or December 31, 2023, other than the Series A Preferred Stock discussed above.

Common Stock

The Company is authorized by its amended and restated certificate of incorporation to issue up to 75.0 million shares of common stock, par value $0.0001 per share. As of December 31, 2024 and 2023, there are 31.0 million and 31.3 million shares of common stock outstanding, respectively.

Stock Purchase Program

In September 2022, the Company’s Board of Directors authorized a repurchase program of up to $10.0 million of outstanding common stock. In May 2023, the Company’s Board of Directors authorized an additional $5.0 million to this program. In March 2024, the Company’s Board of Directors authorized an additional $5.0 million of repurchases under this program.

During 2024, and 2023, the Company purchased 0.7 million and 1.2 million shares for aggregate consideration of $3.2 million and $7.9 million, respectively. As of December 31, 2024, the Company purchased 3.0 million shares for $18.2 million under the program.

Warrants

In connection with the Benihana Acquisition, on May 1, 2024, the Company issued both market and penny warrants to the following holders of the Series A Preferred Stock. The holders of the penny warrants are entitled to receive any dividends issued to common stockholders. The Company has the following warrants to purchase shares of common stock outstanding as of December 31, 2024.

Issuance date	Holder of warrants	Expiration date	Warrants Issued	Exercise Price	Shares available for purchase as of December 31, 2024	2023
May 1, 2024	HPC III Kaizen LP	May 1, 2029	1,000,000	$ 10.00	1,000,000	—
May 1, 2024	HPS and affiliates	May 1, 2029	66,667	$ 10.00	66,667	—
May 1, 2024	HPC III Kaizen LP	May 1, 2034	1,786,582	$ 0.01	1,786,582	—
May 1, 2024	HPS and affiliates	May 1, 2034	119,105	$ 0.01	119,105	—

During 2023, warrants to purchase 125,000 shares of common stock at an exercise price of $1.63 per share were exercised. There were no warrants outstanding as of December 31, 2023.

Dividends

The issuance of a dividend is dependent on a variety of factors, including but not limited to, available cash and the overall financial condition of the Company. The issuance of a dividend is also subject to legal restrictions and the terms of the Company’s credit agreement. The Company did not issue dividends related to its common stock in 2024 or 2023.

Note 14 – Employee Benefit Plans

Defined Contribution Retirement Plan

The Company sponsors qualified defined contribution retirement plans (the “401(k) Plans”) covering all eligible employees, as defined in the 401(k) Plans. The 401(k) Plans allow participating employees to defer the receipt of a portion of their compensation, on a pre-tax or post-tax basis, and contribute such amount to one or more investment options. Employer contributions to the plans are at the discretion of the Company. The Company did not accrue or make any employer contributions in 2024 and 2023.

Equity Incentive Plan

The Company provides equity-based compensation to directors, officers, key employees and other key individuals performing services for the Company under its 2019 Equity Incentive Plan (the “Equity Incentive Plan”). The Equity Incentive Plan provides for the granting of stock options, warrants, restricted stock or other stock-based awards. All awards are required to be approved by the Board or a designated committee of the Board. Options are generally granted with an exercise price equal to fair market value of the Company’s common stock on the date of grant and an expiration date after ten years. Vesting of options and restricted stock can either be based on the passage of time or on the achievement of performance goals. The Board has the authority to amend, modify or terminate the Equity Incentive Plan, subject to any required approval by the Company’s stockholders under applicable law or upon advice of counsel. No such action would affect any options previously granted under the Equity Incentive Plan without the consent of the holders.

Effective May 18, 2022, the Board and the Company’s stockholders approved a 4,500,000 increase to the number of shares of common stock authorized for issuance under the Equity Incentive Plan, bringing the maximum aggregate limit to 11,573,922 shares. As of December 31, 2024, the Company had 2,804,491 shares available for issuance under the Equity Incentive Plan.

Stock-based compensation cost for 2024 and 2023 was $6.0 million and $5.0 million, respectively, and is included in general and administrative expenses in the consolidated statements of operations. Included in stock-based compensation cost was $0.7 million and $0.5 million of unrestricted stock granted to directors for 2024 and 2023, respectively. Such grants were awarded consistent with the Board’s compensation practices. Stock-based compensation for 2024 and 2023 included $0.9 million and $0.7 million of compensation costs for market condition-based restricted stock units (“RSU”). Refer to discussion of performance stock units and CEO RSUs below.

Stock Option Activity

Stock options granted during 2024 were valued using the Black-Scholes method and included the following assumptions: a) expected term of 5.5 years, calculated using the simplified method, b) risk-free rate of 4.4% and c) volatility of 71.3%. The Company recognized $0.7 million in compensation costs for stock options during 2024. As of December 31, 2024, the Company had $0.2 million of unrecognized compensation costs related to 259,342 unvested stock options, which will be recognized over a weighted average period of 0.3 years. There were no unvested stock options as of December 31, 2023.

Changes in outstanding stock options during the years ended December 31, 2024 and 2023 were as follows:

	Shares	Weighted average exercise price	Weighted average remaining contractual life (in years)	Intrinsic value (thousands)
Outstanding at January 1, 2023	1,187,352	$ 3.43		
Vested	—	—		
Exercised	(37,000)	2.87		
Cancelled, expired or forfeited	(476,410)	4.62		
Outstanding at December 31, 2023	673,942	2.35	3.24	$ 2,540
Granted	260,420	5.73		
Exercised	(50,000)	4.85		
Cancelled, expired or forfeited	(46,078)	5.00		
Outstanding at December 31, 2024	838,284	3.11	4.72	$ 567
Exercisable at December 31, 2024	578,942	1.93	2.69	$ 567

A summary of the status of the Company's non-vested stock options as of December 31, 2024 and 2023 and changes during the years then ended, is presented below:

	Shares	Weighted average grant date fair value
Non-vested stock options at January 1, 2023	—	$ —
Granted	—	—
Vested	—	—
Cancelled, expired or forfeited	—	—
Non-vested stock options at December 31, 2023	—	$ —
Granted	260,420	3.67
Vested	—	—
Cancelled, expired or forfeited	(1,078)	3.67
Non-vested stock options at December 31, 2024	259,342	$ 3.67

The fair value of options that vested in 2024 and 2023 was zero.

Restricted Stock Unit Activity

The Company issues restricted stock units ("RSUs") under the 2019 Equity Plan. RSUs in the table below include time-based awards. The fair value of time-based RSUs is determined based upon the closing market value of the Company's common stock on the grant date.

A summary of the status of RSUs and changes during 2024 and 2023 is presented below:

	Shares	Weighted average grant date fair value
Non-vested RSUs at January 1, 2023	1,339,432	$ 6.89
Granted	509,968	7.21
Vested	(726,503)	5.47
Cancelled, expired or forfeited	(102,341)	6.74
Non-vested RSUs at December 31, 2023	1,020,556	$ 8.08
Granted	468,356	4.88
Vested	(472,336)	7.93
Cancelled, expired or forfeited	(43,476)	7.11
Non-vested RSUs at December 31, 2024	973,100	$ 6.66

As of December 31, 2024, the Company had approximately $4.5 million of total unrecognized compensation costs related to restricted stock awards, which will be recognized over a weighted average period of 1.7 years.

Performance Stock Unit Activity

The Company issues performance stock units ("PSUs") under the 2019 Equity Plan. PSUs in the table below includes both time based and market condition-based awards and are valued using the Monte Carlo Simulation.

Awards granted during September 2022 included 500,000 RSUs awarded to our Chief Executive Officer with both a market condition and time element ("CEO RSUs"). The CEO RSUs may be earned based on achieving common stock price targets within a 48-month period and, if earned, will vest and be settled based on a time element as outlined in the RSU agreement governing the CEO RSUs. To value the CEO RSUs, the Company, with the assistance of a third-party specialist, calculated the fair value of CEO RSUs using the Monte Carlo Simulation, a risk-free rate of 3.31%, a starting common stock value of $6.95, volatility of 73%, and a standard normal distribution. The Company valued the CEO RSUs at $2.9 million and amortized this amount evenly over 48 months. For 2024 and 2023, the Company recorded $0.7 million and $0.7 million, respectively, of stock-based compensation expense associated with these awards.

A summary of the status of PSUs and changes during 2024 and 2023 is presented below:

	Shares	Weighted average grant date fair value
Non-vested PSUs at January 1, 2023	500,000	$ 5.89
Granted	—	—
Vested	(125,000)	5.89
Cancelled, expired or forfeited	—	—
Non-vested PSUs at December 31, 2023	375,000	$ 5.89
Granted	98,166	4.65
Vested	—	—
Cancelled, expired or forfeited	—	—
Non-vested PSUs at December 31, 2024	473,166	$ 5.63

As of December 31, 2024, the Company has approximately $1.2 million of unrecognized compensation costs related to PSUs, which will be recognized over a weighted average period of 1.7 years.

Note 15 – Segment Reporting

The Company has identified its reportable operating segments as follows:

- *STK*. The STK segment consists of the results of operations from STK restaurants and ONE Hospitality restaurant locations, as well as management, license and incentive fee revenue generated from the STK brand and ONE Hospitality restaurants.
- *Benihana.* The Benihana segment consists of the results of operations from Benihana restaurant locations, as well as franchise revenue from the Benihana brand.
- *Grill Concepts*. The Grill Concepts segment consists of the results of operations of Kona Grill and RA Sushi restaurant locations.

The Company's Chief Executive Officer, who is the Company's Chief Operating Decision Maker ("CODM"), manages the business and allocates resources via a combination of restaurant sales reports and operating segment profit information, defined as owned restaurant net revenues less owned restaurant cost of sales and owned restaurant operating expenses. The CODM is not provided asset information by reportable segment as asset information is provided to the CODM on a consolidated basis.

Certain financial information relating to the years ended December 31, 2024 and 2023 for each segment is provided below (in thousands).

	STK	Benihana	Grill Concepts	Other[1]	Total
For the year ended December 31, 2024					
Owned restaurant net revenues	$ 204,713	$ 296,847	$ 155,851	$ 1,504	$ 658,915
Owned restaurant cost of sales	(49,250)	(56,191)	(33,309)	(44)	(138,794)
Owned restaurant operating expenses	(117,357)	(181,059)	(113,126)	(256)	(411,798)
Restaurant operating profit	38,106	59,597	9,416	1,204	108,323
Management, license, franchise and incentive fee revenue	12,516	1,595	—	318	14,429
General and administrative expenses					(38,153)
Stock based compensation					(6,017)
Depreciation and amortization					(34,096)
Transition and integration expenses					(13,681)
Pre-opening expenses					(9,488)
Transaction and exit costs					(9,326)
Lease termination expenses					(1,096)
Other expenses					(124)
Interest expense, net of interest income					(31,109)
Loss on early debt extinguishment					(4,149)
Loss before benefit for income taxes					(24,487)

Reconciliation of total revenues	
Owned restaurant net revenues	658,915
Management, license, franchise, and incentive fee revenue	14,429
Total revenues	$ 673,344

	STK	Benihana	Grill Concepts	Other[(1)]	Total
For the year ended December 31, 2023					
Owned restaurant net revenues	$ 185,475	$ —	$ 131,716	$ 175	$ 317,366
Owned restaurant cost of sales	(44,656)	—	(31,026)	(45)	(75,727)
Owned restaurant operating expenses	(102,796)	—	(88,385)	(69)	(191,250)
Restaurant operating profit	38,023	—	12,305	61	50,389
Management, license, franchise and incentive fee revenue	15,202	—	—	201	15,403
General and administrative expenses					(25,719)
Stock based compensation					(5,032)
Depreciation and amortization					(15,664)
Pre-opening expenses					(8,855)
Transaction and exit costs					(207)
Other expenses					(1,021)
Interest expense, net of interest income					(7,028)
Income before benefit for income taxes					2,266

Reconciliation of total revenues	
Owned restaurant net revenues	317,366
Management, license, franchise, and incentive fee revenue	15,403
Total revenues	$ 332,769

(1) Other includes sales and expenses that relate to STK Meat Market, an e-commerce platform that offers signature steak cuts nationwide, the Company's major off-site events group, which supports all brands and venue concepts, and revenue generated from gift card programs.

Note 16 – Geographic Information

Certain financial information by geographic location relating to the years ended December 31, 2024 and 2023 is provided below (in thousands).

	For the year ended December 31, 2024	For the year ended December 31, 2023
Domestic revenues	$ 669,929	$ 327,627
International revenues	3,415	5,142
Total revenues	$ 673,344	$ 332,769

	December 31, 2024	December 31, 2023
Domestic long-lived assets	$ 888,724	$ 269,052
International long-lived assets	1,628	1,513
Total long-lived assets	$ 890,352	$ 270,565

Note 17 – Commitments and Contingencies

The Company is party to claims in lawsuits incidental to its business, including lease disputes and employee-related matters. The Company has recorded accruals in its consolidated financial statements in accordance with ASC 450, Contingencies. While the resolution of a lawsuit, proceeding or claim may have an impact on the Company's financial results for the period in which it is resolved, in the opinion of management, the ultimate outcome of such matters and judgements in which the Company is currently involved, either individually or in the aggregate, will not have a material adverse effect on the Company's consolidated financial position or results of operations.

Exhibit 4.13

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The ONE Group Hospitality, Inc. (the "Company," "us," "we," or "our") is authorized to issue up to 75,000,000 shares of common stock, par value $0.0001 per share ("Common Stock"), and 10,000,000 shares of preferred stock, par value $0.0001 per share.

The following description of our capital stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our amended and restated certificate of incorporation, our bylaws, as amended, our certificate of designations of Series A preferred stock and applicable provisions of the Delaware General Corporation Law. We encourage you to read our charter, our bylaws and the applicable provisions of Delaware General Corporation Law for additional information. Our Common Stock is listed for trading on The Nasdaq Capital Market under the "STKS" symbol.

DESCRIPTION OF COMMON STOCK

General

Our Common Stock is the only class of securities we have registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Common stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders. Our amended and restated certificate of incorporation does not provide for cumulative voting. The holders of our Common Stock are entitled to receive ratably such dividends, if any, as may be declared by the board of directors out of legally available funds, subject to any preferential dividend rights of any series of preferred stock that are currently outstanding and as we may designate and issue in the future.

Our board of directors is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. There is noncumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares of Common Stock eligible to vote for the election of directors can elect all of the directors.

In the event of a liquidation, dissolution or winding up of the company, our stockholders are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of stock having preference over the Common Stock. Our common stockholders have no preemptive or other subscription rights. There are no sinking fund provisions applicable to the Common Stock. The rights, preferences and privileges of holders of Common Stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that is currently outstanding and which we may designate and issue in the future.

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is Continental Stock Transfer & Trust Company, 1 State Street, 30th Floor, New York, New York 10004-1561.

DESCRIPTION OF PREFERRED STOCK

General

Our board of directors may, without stockholder approval, issue shares of one or more series of preferred stock with such designations, rights, and preferences as it determines. The issuance of preferred stock could have the effect of restricting dividends on our Common Stock (if any are declared), diluting the voting power of our Common Stock, impairing the liquidation rights of our Common Stock, or delaying or preventing a change in control of our company, all without further action by our stockholders.

Series A Preferred Stock

We are authorized to issue 10,000,000 shares of preferred stock, par value $0.0001 per share. As of December 31, 2024, 160,000 shares of our Series A preferred stock are issued and outstanding.

Our Series A preferred stock is non-voting and non-convertible. Our Series A preferred stock has compounding dividends that begin at a rate of 13.0% per annum and increase over time at specified intervals under its certificate of designations. Our Series A preferred stock is subject to optional redemption by us and mandatory redemption following specified events and in certain circumstances upon the exercise by the holders of a majority of the outstanding shares of Series A preferred stock of an option to deliver written notice to us to require redemption, in each case, for specified prices set forth in its certificate of designation. Our Series A preferred stock grants consent rights to the holders of a majority of the outstanding shares of Series A preferred stock for specified matters as set forth in its certificate of designations.

The holders of our currently issued and outstanding Series A preferred stock have further rights relating to their Series A preferred stock under the related investment agreement. This includes that specified investors currently holding a majority of our issued and outstanding Series A preferred stock currently have the right to designate two directors for nomination to our board of directors, among other matters.

Subject to the terms of our certificate of designations of Series A preferred stock, in the future our board of directors may, without further action by our stockholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the rights, preferences and limitations of each series, including voting rights, dividend rights and redemption and liquidation preferences. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our Common Stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of any liquidation, dissolution or winding-up of our company before any payment is made to the holders of shares of our Common Stock. In some circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Subject to the terms of our certificate of designations of Series A preferred stock, upon the affirmative vote of our board of directors, without stockholder approval, we may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of our Common Stock.

Transfer Agent and Registrar

The transfer agent and registrar for our Series A preferred stock is Continental Stock Transfer & Trust Company, 1 State Street, 30th Floor, New York, New York 10004-1561. The transfer agent and registrar for any further series of preferred stock will be set forth in the applicable prospectus supplement.

DESCRIPTION OF WARRANTS

General

We may issue warrants to purchase shares of our Common Stock, preferred stock and/or debt securities in one or more series together with other securities or separately, as described in the applicable prospectus supplement. Below is a description of certain general terms and provisions of the warrants that were outstanding as of December 31, 2024.

Penny Warrants

Holders of warrants to purchase Common Stock at an exercise price of $0.01 per shares (“Penny Warrants”) have the rights described in, and the Penny Warrants are subject to the terms and conditions of, the applicable agreements governing the warrants (the “Warrant Certificates”). The information in this section is a summary of material portions of those provisions, and you should refer to the applicable Warrant Certificates for their full text. As of December 31, 2024, Penny Warrants to purchase 1,905,687 shares of Common Stock were outstanding.

Exercise Mechanics

The Penny Warrants are exercisable for up to the number of shares of Common Stock indicated in the applicable Warrant Certificates (as adjusted from time to time in accordance with the terms of the applicable Warrant Certificates). The Penny Warrants may be exercised in whole or in part at any time and from time to time during the period beginning on May 1, 2024 and ending at the close of business on May 1, 2034. The Penny Warrants may be exercised for cash (a "Cash Exercise"), at an exercise price of $0.01 per share of Common Stock (as adjusted from time to time in accordance with the terms of the applicable Warrant Certificates), or exercised in a "cashless" exercise (a "Cashless Exercise"). In the event of a Cashless Exercise, the Company will issue to the warrant holder a number of shares of Common Stock according to the following formula:

$$X = Y^*(A - B) \div A$$

where:

- "X" is the net number of shares of Common Stock to be issued to the holder of the Penny Warrant pursuant to the Cashless Exercise;
- "Y" is the number of gross shares of Common Stock that would be issuable upon exercise of the Penny Warrant if the exercise were by means of a Cash Exercise rather than a Cashless Exercise;
- "A" is the fair market value of Common Stock as of the date of exercise (determined based on the closing sale price of Common Stock on the business day immediately prior to the date of exercise, as more fully described in the Warrant Certificates (the "Fair Market Value")); and
- "B" is the Penny Warrant's exercise price at the time of exercise.

Anti-Dilution Adjustments

The number of shares of Common Stock issuable upon exercise of the Penny Warrants is subject to adjustment as described below.

A. If the Company (a) declares, orders, pays or makes a dividend or a distribution on outstanding shares of Common Stock payable in shares of Common Stock, (b) splits, subdivides or reclassifies outstanding shares of Common Stock into a larger number of shares of Common Stock, (c) combines or reclassifies shares of Common Stock into a smaller number of shares of Common Stock, or (d) increases or decreases the number of shares of Common Stock outstanding by reclassification of shares of Common Stock, the number of shares of Common Stock issuable upon exercise of the Penny Warrants will be adjusted so that, after giving effect to such adjustment, the warrant holders will be entitled to receive the number of shares of Common Stock upon exercise that the warrant holders would have owned or have been entitled to receive had the Penny Warrant been exercised immediately prior to the happening of the listed event (or, in the case of a dividend or distribution of shares of Common Stock, immediately prior to the record date therefor).

B. If the Company declares or makes a dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Stock, by way of return of capital or otherwise (including any distribution of cash, stock or other securities, property or options by way of a dividend, spin-off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a dividend or distribution of shares of Common Stock) (a "Distribution"), then, in each such case, on the date on which such Distribution is made, the warrant holders on the record date of such Distribution will be entitled to receive the Distribution with respect to the number of shares of Common Stock that would have been issuable upon a complete exercise of the Penny Warrants as of the record date of such Distribution.

C. Except in the case of an underwritten offering registered with the SEC under Securities Act of 1933, as amended (the "Securities Act"), if the Company issues shares of Common Stock or any securities or rights convertible or exchangeable into, or having an interest equivalent to, Common Stock entitling the holder thereof to receive, directly or indirectly, shares of Common Stock or securities or rights convertible or exchangeable into, or having an interest equivalent to, shares of Common Stock ("Common Stock Equivalent"), at a price for such shares of Common Stock or Common Stock Equivalent that is less than 95% of the Fair Market Value of shares of Common Stock immediately prior to such issuance (a "Below Fair Market Value Issuance"), other than an issuance to which paragraph A., above, applies, then immediately upon such Below Fair Market Value Issuance, the number of shares of Common Stock purchasable upon exercise of the Penny Warrants shall be increased to equal the product of (a) the number of shares of Common Stock purchasable upon exercise of the Penny Warrants prior to the Below Fair Market Value Issuance, and (b) a fraction, (i) the numerator of which is the sum of (x) the number of shares of Common Stock outstanding prior to the Below Fair Market Value Issuance, (y) the number of shares of Common Stock purchasable upon exercise of the Penny Warrants prior to the Below Fair Market Value Issuance, and (z) the number of equity securities issued pursuant to the Below Fair Market Value Issuance, and (ii) the denominator of which is the sum of (x) the number of shares of Common Stock of the Company outstanding prior to the Below Fair Market Value Issuance, (y) the number of shares of Common Stock purchasable upon exercise of the Penny Warrants prior to the Below Fair Market Value Issuance, and (z) the number of shares of Common Stock that would have been purchased in the Below Fair Market Value Issuance had the total consideration paid in such issuance been used to purchase shares of Common Stock at Fair Market Value.

D. In case of a merger, consolidation, statutory share exchange, reorganization, recapitalization or similar extraordinary transaction (which may include a reclassification) (a "Business Combination") involving the Company or reclassification of Common Stock (other than a reclassification of Common Stock covered by paragraph A., above), the warrant holders' rights to receive shares of Common Stock upon exercise of the Penny Warrants shall be converted, effective upon the occurrence of such Business Combination or reclassification, into the right to exercise the Penny Warrants to acquire the number of shares of stock or other securities or property (including cash) that the Common Stock issuable (at the time of such Business Combination or reclassification) upon exercise of the Penny Warrants in full immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification; and in any such case, if applicable, the provisions of the applicable Warrant Certificates shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to the warrant holders' rights to exercise the Penny Warrants in exchange for any shares of stock or other securities or property as described in this paragraph. In determining the kind and amount of stock, securities or property receivable upon exercise of the Penny Warrants upon and following adjustment described in this paragraph, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such Business Combination, then the warrant holders shall have the right to make the same election upon exercise of the Penny Warrants with respect to the number of shares of stock or other securities or property which the warrant holders will receive upon exercise of the Penny Warrants.

The Company will provide warrant holders with notice of adjustment events and certain other Company transactions.

The adjustments described in this section will not be made in connection with (a) any issuance of equity securities to employees, officers or directors of the Company or its subsidiaries pursuant to any stock option plan, equity incentive plan (including the Company's 2019 Equity Incentive Plan) or other employee benefit arrangement approved by the Company's board of directors, (b) any issuance of shares of Common Stock under other warrants, and/or (c) any issuance of equity securities in the following transactions: (i) any acquisition by the Company or any of its subsidiaries of any equity interests, assets, properties or business of any person; (ii) any merger, consolidation or other business combination involving the Company or any of its subsidiaries (other than a Business Combination covered by paragraph D., above); (iii) the commencement of any transaction or series of related transactions involving a change of control of the Company (other than a Business Combination covered by paragraph D., above); (iv) any private placement of warrants to purchase equity securities of the Company to lenders or other institutional investors in any arm's length transaction providing debt financing to the Company; and (v) any issuance of equity securities by the Company in connection with which a warrant holder exercised its participation or preemptive rights in accordance with the Investment Agreement, dated as of May 1, 2024, between the Company and the investors party thereto, as amended, supplemented or otherwise modified from time to time.

Market Warrants

Holders of warrants to purchase Common Stock at an exercise price of $10.00 per shares ("Market Warrants") have the rights described in, and the Market Warrants are subject to the terms and conditions of, the applicable Warrant

Certificates. The information in this section is a summary of material portions of those provisions, and you should refer to the applicable Warrant Certificates for their full text. Market Warrants exercisable for an aggregate of 1,066,667 shares of Common Stock are outstanding as of December 31, 2024.

Exercise Mechanics

The Market Warrants are exercisable for up to the number of shares of Common Stock indicated in the applicable Warrant Certificates (as adjusted from time to time in accordance with the terms of the applicable Warrant Certificates). The Market Warrants may be exercised in whole or in part at any time and from time to time during the period beginning on May 31, 2024 and ending at the close of business on May 1, 2029. The Market Warrants may be exercised for cash at an exercise price of $10.00 per share of Common Stock (as adjusted from time to time in accordance with the terms of the applicable Warrant Certificates).

Anti-Dilution Adjustments

The number of shares of Common Stock issuable upon exercise, or exercise price, of the Market Warrants is subject to adjustment as described below.

A. If the Company (a) declares, orders, pays or makes a dividend or a distribution on outstanding shares of Common Stock payable in shares of Common Stock, (b) splits, subdivides or reclassifies outstanding shares of Common Stock into a larger number of shares of Common Stock, (c) combines or reclassifies shares of Common Stock into a smaller number of shares of Common Stock, or (d) increases or decreases the number of shares of Common Stock outstanding by reclassification of shares of Common Stock, the exercise price of the Market Warrants will be adjusted according to the following formula:

$$EP_2 = EP_1 * (A) \div (B)$$

where:

- "EP2" is the exercise price in effect immediately after such event;
- "EP1" is the exercise price in effect immediately prior to such event;
- "A" is the number of shares of Common Stock outstanding immediately after the close of business on the record date for such event;
- "B" is the number of shares of Common Stock outstanding immediately prior to the close of business on the record date for such event.

B. If the Company declares or makes a Distribution, then, in each such case, on the date on which such Distribution is made, the exercise price of the Market Warrants will be reduced according to the following formula:

$$EP_2 = EP_1 * (A) \div (A + B)$$

where:

- "EP2" is the exercise price in effect immediately after such Distribution;
- "EP1" is the exercise price in effect immediately prior to such Distribution;
- "A" is the Fair Market Value per share of Common Stock on the last trading day immediately preceding the first date on which the shares of Common Stock trade regular way without the right to receive such Distribution; and

- "B" is (i) if the Distribution is in cash, the amount in cash distributed to warrant holders per share of Common Stock or (ii) if the Distribution is not in cash, the fair market value (as determined in good faith by the Company's board of directors) of the shares of stock or other securities, property or options that are distributed to warrant holders per share of Common Stock.

C. Except in the case of an underwritten offering registered with the SEC under the Securities Act, if the Company issues shares of Common Stock or any Common Stock Equivalent in a Below Fair Market Value Issuance, other than an issuance to which paragraph A., above, applies, then immediately upon such Below Fair Market Value Issuance, the exercise price of the Market Warrants will be reduced according to the following formula:

$$EP_2 = EP_1 * (A + B) \div (A + C)$$

where:

- "EP2" is the exercise price in effect immediately after such Below Fair Market Value Issuance;

- "EP1" is the exercise price in effect immediately prior to such Below Fair Market Value Issuance;

- "A" is the number of shares of Common Stock outstanding prior to the Below Fair Market Value Issuance;

- "B" is the number of shares of Common Stock that would have been issued if such additional shares of Common Stock had been issued or deemed issued at a price per share equal to Fair Market Value (determined by dividing the aggregate consideration received by the Company in respect of such issue by Fair Market Value); and

- "C" is the number of such additional shares of Common Stock issued in such Below Fair Market Value Issuance.

D. In case of a Business Combination involving the Company or reclassification of Common Stock (other than a reclassification of Common Stock covered by paragraph A., above), the Market Warrant holders' right to receive shares of Common Stock upon exercise of the Market Warrants shall be converted, effective upon the occurrence of such Business Combination or reclassification, into the right to exercise the Market Warrant to acquire the number of shares of stock or other securities or property (including cash) that the Common Stock issuable (at the time of such Business Combination or reclassification) upon exercise of the Market Warrant in full immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification; and in any such case, if applicable, the provisions of the applicable Warrant Certificates shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to the Market Warrant holders' right to exercise the Market Warrants in exchange for any shares of stock or other securities or property as described in this paragraph. In determining the kind and amount of stock, securities or property receivable upon exercise of Market Warrants upon and following adjustment described in this paragraph, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such Business Combination, then the Market Warrant holders shall have the right to make the same election upon exercise of the Market Warrants with respect to the number of shares of stock or other securities or property which the Market Warrant holders will receive upon exercise of the Market Warrants.

The Company will provide warrant holders with notice of adjustment events and certain other Company transactions.

CERTAIN PROVISIONS OF DELAWARE LAW AND OF THE COMPANY'S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND BYLAWS

Anti-Takeover Provisions

The provisions of Delaware law and our amended and restated certificate of incorporation, our certificate of designations of Series A preferred stock and bylaws could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our voting stock. It is possible that these provisions could make it more difficult to accomplish, or could deter, transactions that stockholders may otherwise consider to be in their best interests or in our best interests. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of our control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. Such provisions also may have the effect of preventing changes in our management.

Delaware Statutory Business Combinations Provision

We are subject to Section 203 of the Delaware General Corporation Law. This statute regulating corporate takeovers prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for three years following the date that the stockholder became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers, and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is any person who, together with such person’s affiliates and associates (i) owns 15% or more of a corporation’s voting securities or (ii) is an affiliate or associate of a corporation and was the owner of 15% or more of the corporation’s voting securities at any time within the three year period immediately preceding a business combination of the corporation governed by Section 203. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may discourage takeover attempts that might result in a premium over the market price for the shares of Common Stock held by our stockholders.

Classified Board of Directors; Removal of Directors for Cause

Pursuant to our amended and restated certificate of incorporation and bylaws, our board of directors is divided into three classes, with the term of office of the first class to expire at the first annual meeting of stockholders following the initial classification of directors, the term of office of the second class to expire at the second annual meeting of stockholders following the initial classification of directors, and the term of office of the third class to expire at the third annual meeting of stockholders following the initial classification of directors. At each annual meeting of stockholders, directors elected to succeed those directors whose terms expire will be elected for a three-year term of office. All directors elected to our classified board of directors will serve until the election and qualification of their respective successors or their earlier death, resignation, retirement, disqualification or removal. Members of the board of directors may only be removed for cause and only by the affirmative vote of holders of a majority of the voting power of all then outstanding shares of capital stock entitled to vote generally in the election of directors, voting as a single class. These provisions are likely to increase the time required for stockholders to change the composition of the board of directors. For example, at least two annual meetings will be necessary for stockholders to effect a change in a majority of the members of the board of directors.

Board Size and Vacancies

Our amended and restated certificate of incorporation provides that the number of directors shall be fixed exclusively by majority vote of the total number of directors. Vacancies on the board may be filled by a majority vote of the remaining directors then in office, and any director so chosen will hold that office for the remainder of the full term of the class of directors to which the new directorship was added.

Advance Notice Provisions for Stockholder Proposals and Stockholder Nominations of Directors

Our bylaws provide that, for nominations to the board of directors or for other business to be properly brought by a stockholder before a meeting of stockholders, the stockholder must first have given timely notice of the proposal in writing to our Secretary. For an annual meeting, a stockholder's notice generally must be delivered not less than 90 days nor more than 120 days prior to the first anniversary of the previous year's annual meeting date. For a special meeting, the notice must generally be delivered not earlier than the 10th day following the day on which public announcement of the meeting is first made. Detailed requirements as to the form of the notice and information required in the notice are specified in the bylaws. If it is determined that business was not properly brought before a meeting in accordance with our bylaw provisions, such business will not be conducted at the meeting.

Special Meetings of Stockholders

Special meetings of the stockholders may be called only by the Chairman of the board of directors, the Chief Executive Officer or President, or our board of directors pursuant to a resolution adopted by a majority of the total number of directors.

No Stockholder Action by Written Consent

Any action to be effected by our stockholders must be effected at a duly called annual or special meeting of the stockholders.

Limitation of Liability and Indemnification

Our amended and restated certificate of incorporation and our bylaws provide that each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was one of our directors or officers or, while one of our directors or officers, is or was serving at our request as a director, officer, or employee or agent of another corporation, or of a partnership, joint venture, trust or other enterprise or nonprofit entity, including service with respect to an employee benefit plan, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by us to the fullest extent authorized by the Delaware General Corporation Law against all liability and loss suffered and expenses (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such.

Section 145 of the Delaware General Corporation Law permits a corporation to indemnify any director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any action, suit or proceeding brought by reason of the fact that such person is or was a director or officer of the corporation, if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe his or her conduct was unlawful. In a derivative action (i.e., one brought by or on behalf of the corporation), indemnification may be provided only for expenses actually and reasonably incurred by any director or officer in connection with the defense or settlement of such an action or suit if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be provided if such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the Delaware Chancery Court or the court in which the action or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Pursuant to Section 102(b)(7) of the Delaware General Corporation Law, Article Eighth of our amended and restated certificate of incorporation eliminates the liability of a director to us or our stockholders for monetary damages for such a breach of fiduciary duty as a director, except for liabilities arising:

- from any breach of the director's duty of loyalty to us or our stockholders;
- from acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law; and
- from any transaction from which the director derived an improper personal benefit.

In addition to the indemnification provided in our amended and restated certificate of incorporation and our bylaws, we may enter into indemnification agreements with any directors and executive officers in the future. We have purchased and intend to maintain insurance on behalf of any person who is or was a director or officer against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

The foregoing discussion of our amended and restated certificate of incorporation, bylaws, indemnification agreements, indemnity agreement, and Delaware law is not intended to be exhaustive and is qualified in its entirety by such amended and restated certificate of incorporation, bylaws, indemnification agreements, indemnity agreement, or law.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Exhibit 19.1

THE ONE GROUP HOSPITALITY, INC.

INSIDER TRADING POLICY

TABLE OF CONTENTS

The ONE Group Hospitality, Inc. (the "Company") has adopted the following policy regarding trading by personnel of the Company and its subsidiaries, including The ONE Group, LLC, in the Company's securities (the "Insider Trading Policy," or this "Policy"). This Policy applies to *all* Company personnel, including directors, officers, employees and consultants of the Company and its subsidiaries. This Policy also applies to certain family members, other members of a person's household and entities controlled by Company personnel, as described in Section IV below. In addition, to promote compliance with insider trading laws, it is the Company's policy not to engage in transactions involving the Company's securities in violation of insider trading laws.

I. The Need for an Insider Trading Policy

This Policy has been developed:

- to educate all Company personnel as to the federal securities laws and the rules of the Securities and Exchange Commission (the "SEC") on insider trading in public company securities;
- to set forth requirements that apply to Company personnel and other persons covered by this Policy who seek to trade in the Company's securities;
- to protect the Company, its personnel and its controlling stockholders from legal liability; and
- to preserve the reputation of the Company and its personnel for integrity and ethical conduct.

Because the Company is a public company, transactions in the Company's securities are subject to the federal securities laws and regulations adopted by the SEC. These laws and regulations make it illegal for an individual to buy or sell securities of the Company while aware of ***material non-public information***. The SEC takes insider trading very seriously and devotes significant resources to uncovering the activity and to prosecuting offenders. Liability may extend not only to the individuals who trade while in possession of material non-public information but also to their "tippers," people who leak material non-public information to individuals who then trade based on that information. The Company and "controlling persons" of the Company may also be liable for violations by Company employees.

II. What is Material Non-Public Information?

Definition.

Material non-public information is any information (positive or negative) that:

- is not generally known to the public, and

- which, if publicly known, would likely affect either the market price of the Company's securities or a person's decision to buy, sell or hold the Company's securities.

Examples. Common examples of information that will frequently be regarded as material include, but are not limited to:

¾ quarterly or annual earnings results;
¾ projections of future financial results;
¾ earnings or losses;
¾ news of a pending or proposed merger, acquisition or tender offer;
¾ news of a pending or proposed acquisition or disposition of a significant asset;
¾ news of a pending or proposed joint venture;
¾ a company restructuring;
¾ significant transactions with officers, directors or greater than 5% stockholders;
¾ financing transactions;
¾ changes in dividend policies, the declaration of a stock split or the offering of additional securities;
¾ establishment of a stock repurchase program;
¾ changes in pricing or cost structure of Company products or services;
¾ changes in management;
¾ a change of control or pending change of control of the Company;
¾ changes in auditors or notification that the auditor's reports may no longer be relied upon;
¾ significant new planned restaurant openings;
¾ pending or threatened significant litigation, or the resolution of such litigation;
¾ a recapitalization event, such as a stock split;
¾ a default on outstanding debt or preferred stock of the Company;
¾ impending bankruptcy or financial liquidity problems;
¾ internal financial information which departs from what the market expects;
¾ the gain, loss or delay of a significant customer or supplier, major contract, license, registration, partnership or joint venture;
¾ the entry, amendment or termination of a material contract; or
¾ other items that require the filing of a Current Report on Form 8-K with the SEC.

Twenty-Twenty Hindsight. In determining whether information is material, the SEC and other regulators will view the information after-the-fact with the benefit of hindsight. As a result, in determining whether any information is material, we will and you should carefully consider whether regulators and others might view the information as being material in hindsight, with the benefit of all relevant information that later becomes available. For example, if there is a significant change in the Company's stock price following release of certain information, that information will likely be determined to have been material when viewed with the benefit of hindsight.

In addition to addressing the relevant statutes and regulations in this area, we are adopting this Policy to avoid even the appearance of improper conduct on the part of anyone employed by or associated with the Company and certain related persons, not just members of senior management.

III. The Consequences of Insider Trading

The consequences of insider trading violations can be severe:

For individuals who trade while in possession of material non-public information (or tip information to others):

- a civil penalty of up to three times the profit gained or loss avoided;
- a criminal fine (no matter how small the profit) of up to $5 million; and
- a jail term of up to 20 years.

These penalties can apply even if the individual is not a member of the Board of Directors or an officer of the Company. Moreover, if an employee violates this Policy, he or she may also be subject to Company-imposed sanctions, including termination for cause.

For a Company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- a civil penalty of the greater of $1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- a criminal penalty of up to $25 million.

Any of the above consequences, including an SEC investigation that does not result in prosecution, can tarnish the Company's or an individual's reputation and irreparably damage a career.

IV. <u>Our Policy</u>

General Prohibition on Trading. Company personnel and Related Persons (as defined below in this Section IV) may not buy or sell securities of the Company while in possession of material non-public information or engage in any other action to take advantage of, or pass on to others, that information, subject to the specific exceptions noted below in this Section IV under the caption "Exceptions for Certain Transactions."

Transactions by Family Members, Others in Your Household and Entities You Control. The restrictions in this Policy also apply to (1) immediate family members who reside with you, (2) others living in your household (whether or not related to you), (3) family members who do not live in your household but whose transactions in the Company's securities are directed by you or are subject to your influence or control (e.g., parents or children who consult with you before they trade in the Company's securities) and (4) any entities that you influence or control, including any corporations, limited liability companies, partnerships or trusts (each person or entity identified in clauses (1) – (4), a "Related Person"). SEC regulations specifically provide that any material non-public information about the Company communicated to any spouse, parent, child or sibling is considered to have been communicated under a duty of trust or confidence; and that any trading in the Company's securities by such family members while they are aware of such information may, therefore, violate insider trading laws and regulations. Company personnel are expected to be responsible for informing all Related Persons of their obligations and for the compliance of all Related Persons with this Policy.[1/] This means that, to the extent such Related Persons of Company personnel intend to trade in the Company's securities, the Related Persons need to comply with the black-out periods and all other restrictions in this Policy. Company personnel may be subject to the same penalties for failing to do so, including termination for cause. Furthermore, you should not participate in any investment club (i.e., groups of people who pool their money to make investments) that may invest in the Company's securities.

Other Companies' Non-public Information. This Policy also applies with equal force to information relating to any other company, including our customers, suppliers and business partners, obtained by Company personnel during the course of their service to or employment by the Company. Specifically, no Company personnel who, in the course of work on behalf of the Company, learns of material non-public information about a company with which the Company does business may trade in the other company's securities until the information becomes public or is no longer material.

Personal or Independent Reasons Are Not Exceptions. Transactions in the Company's securities that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

1/ This means that, to the extent such family/household members intend to trade in the Company's securities, they need to comply with regularly-scheduled and other black-out periods.

Policy Administrator. This Policy shall be administered by the "Policy Administrator," who shall initially be Christi Hing, Chief Accounting Officer and Secretary, and if such person is not available, then such other person as designated by Ms. Hing specified on the Company's intranet website, shall serve as the alternate Policy Administrator. The Policy Administrator may, however, change from time to time; to confirm the name of the then-current Policy Administrator, go to the Company's intranet website.

When Information Becomes Public. This Policy applies to material *non-public* information about the Company, which means that, subject to the pre-approval procedures set out below, trading is permitted once the information becomes known to the public (unless some other Company policy or legal obligation restricts trading at that time). Because the Company's stockholders and the investing public should be afforded time to receive and absorb information, as a general rule you should not engage in any transactions until the beginning of the second business day after material information has been released. Thus, if an announcement is made before the market opens on a Monday, Wednesday generally would be the first day on which you may trade. If an announcement is made before the market opens on a Friday, Tuesday generally would be the first day on which you may trade. However, if the information released is complex, such as a major financing or other significant transaction, it may be necessary to allow additional time for the information to be absorbed by the investing public. In such circumstances, you will be notified by the Policy Administrator regarding a suitable waiting period before trading. In addition, we have established specified black-out periods, as described below.

Prohibited Trading Periods. While it is never permissible to trade based on material non-public information, we are implementing the following procedures to help prevent inadvertent violations of this Policy and avoid even the appearance of an improper transaction (which could result, for example, where Company personnel engage in a trade while unaware *of a pending major development)* and the Policy Administrator will not grant any request for pre-approval (where required) for transactions during the periods noted below.

(1) Company Wide Black-Out Periods Applicable to All Company Personnel. All Company personnel and Related Persons are prohibited from trading in any of the Company's securities during the following periods:

- from the time each such individual becomes aware of the material information (the black-out start times often vary), until the beginning of the second business day after the day the Company has made a public announcement of material information, including earnings releases, unless the information released is complex, in which case it may be necessary to extend this period and the Policy Administrator will notify you of any such extension of the black-out period; and

- during other specified periods when significant developments or announcements are anticipated, as notified by the Policy Administrator; or

- any other periods as determined by the Company.

You will be notified by e-mail when you and your Related Persons may not trade in the Company's securities during periods when significant developments or announcements are anticipated, in which event you will also be notified when trading restrictions are lifted. ***Of course, even during periods when trading is permitted, no one, including persons or entities who do not fall within the definition of Related Persons, should trade in the Company's securities if he or she possesses material non-public information.***

(2) Additional Black-Out Periods Applicable to the Board of Directors, Senior Management, Financial Team Members and Designated Employees. In addition to being subject to the trading procedures applicable to all Company personnel (above), members of the Company's Board of Directors, Senior Management, Financial Team Members, Designated Employees (each as defined below) and Related Persons of such individuals are also subject to additional trading procedures and restrictions during the following periods:

- the periods from 14 days prior to the close of each fiscal quarter until the beginning of the second business day after the release of the Company's financial results for each quarter and, in the case of the fourth quarter, financial results for the year end; and

- any other periods as determined by the Company.

The following members of management constitute the "Senior Management" of the Company: all Executive (Section 16) Officers, as listed on Exhibit A hereto, which list shall be amended from time to time to reflect the then-current group of such individuals.

The following individuals constitute the "Financial Team Members" of the Company: all members of the Company's financial team, as listed on Exhibit B hereto, which list shall be amended from time to time to reflect the then-current group of such individuals.

The following individuals constitute other "Designated Employees" of the Company: certain additional members of Company personnel, as listed on Exhibit C hereto, which list shall be amended from time to time to reflect the then-current group of such individuals.

The Policy Administrator may, from time to time, amend the list of and/or designate other employees as Senior Management, Financial Team Members or Designated Employees, in which case the Policy Administrator shall notify the affected individuals.

Exceptions for Certain Transactions.

(1) Gifts. *Bona fide* gifts are not transactions that are subject to this Policy, unless the person making the gift (the donor) has reason to believe that the recipient of the gift intends to sell the Company's securities while the donor is in possession of material non-public information.

(2) Mutual Funds. Transactions in mutual funds that are invested in the Company's securities are not transactions subject to this Policy.

(3) Transactions Involving Company Equity Plans. Except as otherwise noted below, this Policy does not apply to the following transactions:

- *Stock Option Exercises.* This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company's equity plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale of stock for the purpose of generating the cash needed to pay the exercise price and or taxes upon the exercise of an option.

- *Restricted Stock Awards and Restricted Stock Unit Awards.* This Policy does not apply to the vesting of restricted stock or restricted stock units, or the exercise of a tax withholding right pursuant to which a person elects to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock or restricted stock unit. This Policy does apply, however, to any market sale of restricted stock or shares received upon vesting of restricted stock units.

- *Employee Stock Purchase Plan.* This Policy does not apply to purchases of the Company's securities under the Company's employee stock purchase plan, if any. This Policy does apply, however, to subsequent sales or other transfers of such securities.

- *Other Transactions with the Company.* Any other purchase of the Company's securities from the Company or sales of the Company's securities to the Company are not subject to this Policy.

(4) Rule 10b5-1 Trading Plans. Notwithstanding the restrictions and prohibitions on trading in the Company's securities set forth in this Policy, persons subject to this Policy are permitted to effect transactions in the Company's securities pursuant to approved trading plans established under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended ("Trading Plans"), which may include transactions during the prohibited periods discussed above. Rule 10b5-1 requires that these transactions be made pursuant to a plan that was established while the person was not in possession of material non-public information, and the SEC requires that these plans not be entered into during any applicable Company-imposed black-out period. In order to comply with this Policy, the Company must pre-approve any such Trading Plan prior to its effectiveness. After a Trading Plan is approved, you must wait for a cooling-off period before the first trade is made under the Trading Plan, the length of which will be determined by the Policy Administrator. Once the Trading Plan is adopted, you must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the dates of the trades. The Trading Plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. Any modification of a Trading Plan is the equivalent of entering into a new Trading Plan and cancelling the old Trading Plan. Company personnel seeking to establish, modify or cancel a Trading Plan should contact the Policy Administrator.

Pre-Clearance of All Acquisitions, Sales and Other Transfers by Certain Company Personnel. To ensure compliance with this Policy and with any Section 16 reporting requirements, if applicable, all transactions in the Company's securities (including acquisitions, sales, gifts and other transfers, whether or not for value), including the execution of Trading Plans (as defined below), by members of the Company's Board of Directors, Senior Management, Financial Team Members, Designated Employees and their Related Persons, must be pre-cleared by the Policy Administrator. If you are a member of one of the groups listed above and you contemplate a transaction in the Company's securities, you must contact the Policy Administrator or other designated individual prior to executing the transaction. The Policy Administrator will use his or her reasonable efforts to provide approval or disapproval within three to five business days after that date of your request. You must wait until receiving pre-clearance to execute the transaction. Neither the Company nor the Policy Administrator shall be liable for any delays that may occur due to the pre-clearance process. If the transaction is pre-cleared by the Policy Administrator, it must be executed by the end of the second business day after receipt of pre-clearance. Notwithstanding receipt of pre-clearance of a transaction, if you become aware of material non-public information about the Company after receiving the pre-clearance but prior to the execution of the transaction, you may not execute the transaction. The responsibility for determining whether you are in possession of material non-public information rests with you, as discussed below in Section V. If you are a Section 16 reporting person, promptly following execution of the transaction, but in no event later than the end of the first business day after the execution of the transaction, you must notify the Policy Administrator and provide details regarding the transaction sufficient to complete the required Section 16 filing.

Employees of the Company who are not Directors, members of Senior Management, Financial Team Members or Designated Employees may, but are not required to, pre-clear transactions in the Company's securities in the same manner as set forth above. Such employees are not required to notify the Policy Administrator following execution of the transaction.

Please note that pre-clearance does not provide Company personnel or a Related Person with immunity from investigation or suit – it is the responsibility of the individual to comply with the federal securities regulations.

V. Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in the Company's securities while in possession of material non-public information. Each individual is responsible for making sure that he or she complies with this Policy, and that any Related Person, whose transactions are subject to this Policy, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material non-public information rests with that individual, and any action on the part of the Company, the Policy Administrator or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You may be subject to legal penalties and disciplinary action by law enforcement officials and/or the Company for any conduct prohibited by this Policy or applicable securities laws, as described in Section III above.

Tipping Information to Others. Company personnel must not disclose non-public information about the Company to others outside the Company who do not have an obligation to maintain the confidentiality of such information. If the outsider trades on such information, penalties for insider trading may apply in these situations whether or not you derive any monetary benefit from the other person's trading activities. Material non-public information is often inadvertently disclosed or overheard in casual, social conversations. Please take care to avoid such disclosures.

Prevention of Insider Trading by Others. If you become aware of a potential insider trading violation, you must immediately advise our Policy Administrator and/or report the matter using the Company's anonymous whistleblower reporting procedures, if any. You should also take steps, where appropriate, to prevent persons under your supervision and/or control from using material non-public information for trading purposes. Moreover, Company-imposed sanctions, including termination for cause, could result if an employee fails to comply with this Policy.

Confidentiality. Serious problems could be caused for the Company by the unauthorized disclosure of internal information about the Company, whether or not for the purpose of facilitating improper trading in the Company's securities. Company personnel should not discuss internal Company matters or developments (whether or not you think such information is material) with anyone outside of the Company (including, but not limited to, family, friends, business associates, investors and expert consulting firms), except as required in the performance of regular corporate duties. This prohibition applies specifically (but not exclusively) to inquiries about the Company that may be made by the financial press, investment analysts or others in the financial community and also includes posting material non-public information on any social media outlets such as Facebook, Twitter, etc. It is important that all such communications on behalf of the Company be made only through an authorized officer under carefully controlled circumstances. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquirer to Christi Hing. Please review the Company's separate Regulation FD Policy, which governs all public communications with people outside the Company. Please also refer to any Social Media Policy that the Company may have in effect from time to time.

VI. Additional Prohibited Transactions

Because we believe it is generally improper and inappropriate for Company personnel to engage in short-term or speculative transactions involving the Company's securities, it is our policy that Company personnel and Related Persons not engage in any of the following activities:

- trading in the Company's securities on a short-term basis. Any shares of Company common stock purchased in the open market must be held for a minimum of six months and ideally longer;
- short sales of the Company's securities;
- holding Company securities in a margin account or pledging Company securities as collateral for a loan;
- entering into hedging or monetization transactions or similar arrangements with respect to Company securities; and
- transactions in publicly-traded options relating to the Company's securities (i.e., options that are not granted by the Company).

VII. Post-Termination Transactions

This Policy will no longer apply after termination of service to the Company. However, if an individual is in possession of material non-public information when his or her service terminates, that individual may not trade in the Company's securities until that information has become public or is no longer material, and it would be prudent for the individual, if he or she is subject to a black-out period upon termination of service, to refrain from trading until those restrictions no longer apply to Company personnel.

VIII. Company Assistance

Any person who has any questions about specific transactions or this Policy in general may obtain additional guidance from the Policy Administrator. Remember, however, the ultimate responsibility for adhering to this Policy and avoiding improper transactions rests with you. In this regard, please use your best judgment when considering a transaction in the Company's securities.

IX. Certifications

As a condition to employment, all employees will be required to certify their understanding of and intent to comply with this Policy. Members of the Board of Directors, Senior Management and other personnel may be required to certify compliance on an annual basis.

<u>Exhibit A</u>

"Senior Management"

Emanuel Hilario, President and Chief Executive Officer
Tyler Loy, Chief Financial Officer
Jonathan Segal, Director of Business Development
Christi Hing, Chief Accounting Officer and Secretary

Any other executive officers of the Company (pursuant to Section 16 of the Securities Exchange Act of 1934, as amended)

<u>Exhibit B</u>

"Financial Team Members"

All members of the Company's financial team.

Names to be added or removed by exhibit provided by the Company's Chief Financial Officer from time to time, provided that such personnel are notified of such addition

<u>Exhibit C</u>

"Designated Employees"

1. All Company Employees having the title of Director of Operations
2. All Company Employees having the title of Vice President, Senior Vice President and Executive Vice President
3. Any other personnel who are added by the Company's Chief Financial Officer from time to time, provided that such personnel are provided with notice of such addition

Certification Under Insider Trading Policy

The undersigned hereby certifies that he/she has read and understands, and agrees to comply with, the Company's Insider Trading Policy, a copy of which was distributed with this Certification.

Date: ____________________

Signature ____________________

Name: ____________________

(Please Print)

Title: ____________________

Exhibit 21.1

LIST OF SUBSIDIARIES

9401415 Canada Ltd.	Canada
Asellina Marks LLC	Delaware
Basement Manager, LLC	New York
Benihana Addison Corp.	Florida
Benihana Bethesda Corp.	New York
Benihana Bloomington Corp.	Delaware
Benihana Boca Raton Corp.	Florida
Benihana Brickell Station Corp.	Delaware
Benihana Broomfield Corp.	Delaware
Benihana Carlsbad Corp.	Delaware
Benihana Carson Concession Corp.	Florida
Benihana Chandler Corp.	Delaware
Benihana Chicago Corp.	Florida
Benihana Chino Hills Corp.	Florida
Benihana Columbus Corp.	Delaware
Benihana Concession Holding Corp.	Florida
Benihana Conroe Corp.	Florida
Benihana Coral Springs Corp.	Delaware
Benihana Downey Corp.	Florida
Benihana Employee Assistance Fund, Inc.	Florida
Benihana Encino Corp.	California
Benihana Inc.	Delaware
Benihana International, Inc.	Delaware
Benihana Kansas City Concession Corp.	Florida
Benihana Las Colinas Corp.	Texas
Benihana Las Vegas Corp.	Florida
Benihana Lombard Corp.	Illinois
Benihana Marina Corp.	California
Benihana Miami Gardens Concession Corp.	Florida
Benihana National Corp.	Delaware
Benihana National of Florida Corp.	Delaware
Benihana New York Corp.	Delaware
Benihana NY Baseball Concession Corp.	Florida
Benihana of Dallas, Inc.	Texas
Benihana of Puente Hills Corp.	Delaware
Benihana of Texas, Inc.	Texas
Benihana Ontario Corp.	Delaware
Benihana Orlando Corp.	Delaware
Benihana Phoenix Basketball Concession Corp.	Florida
Benihana Plano Corp.	Texas
Benihana Plymouth Meeting Corp.	Delaware
Benihana San Mateo Corp.	Florida
Benihana Santa Anita Corp.	Delaware
Benihana Schaumburg Corp.	Delaware
Benihana Sunrise Corporation	Delaware
Benihana Temecula Corp.	Florida
Benihana Westbury Corp.	Delaware
Benihana Wheeling Corp.	Delaware
Benihana Woodlands Corp.	Texas
Big Splash Kendall Corp.	Delaware
BNCGC Corp.	Florida
Bridge Hospitality, LLC	California
CA Aldwych Limited	United Kingdom
Haru Amsterdam Avenue Corp.	New York
Haru Broadway Corp.	New York
Haru Food Corp.	New York
Haru Gramercy Park Corp.	New York
Haru Holding Corp.	Delaware

Haru Third Avenue Corp.	New York
Haru Too, Inc.	New York
Haru Wall Street Corp.	Delaware
Hip Hospitality Limited	United Kingdom
HRA Amsterdam Holdings, LLC	Florida
HRA Amsterdam, LLC	Florida
HRA IP Holdings, LLC	Florida
HRA Times Square Holdings, LLC	Florida
HRA Times Square, LLC	Florida
JEC II, LLC	New York
KGA Texas, LLC	Delaware
Kona Grill Acquisition, LLC	Delaware
Little West 12th LLC	Delaware
Maxwell's International Inc.	Delaware
MPD Space Events, LLC	New York
Noodle Time, Inc.	Florida
One 29 Park Management, LLC	New York
One Marks, LLC	Delaware
RA Ahwatukee Restaurant Corp.	Delaware
RA Houston Corp.	Texas
RA Mesa Corp.	Delaware
RA Scottsdale Corp.	Delaware
RA Sushi Addison Corp.	Texas
RA Sushi Atlanta Midtown Corp.	Delaware
RA Sushi Austin Corp.	Texas
RA Sushi Baltimore Corp.	Delaware
RA Sushi Chino Hills Corp.	Delaware
RA Sushi City Center Corp.	Texas
RA Sushi Fort Worth Corp.	Texas
RA Sushi Holding Corp.	Delaware
RA Sushi Las Vegas Corp.	Nevada
RA Sushi Leawood Corp.	Kansas
RA Sushi Lombard Corp.	Delaware
RA Sushi Pembroke Pines Corp.	Delaware
RA Sushi Plano Corp.	Texas
RA Sushi Plantation Corp.	Florida
RA Sushi Southlake Corp.	Texas
RA Sushi Towne Square Corp.	Florida
RA Sushi Tucson Corp.	Delaware
RA Sushi Tustin Corp.	Delaware
Rudy's Restaurant Group, Inc.	Nevada
Safflower Holdings Corp.	Delaware
Seaport Rebel Restaurant LLC	Massachusetts
Steak Social, LLC	Delaware
STK - Las Vegas, LLC	Nevada
STK Aspen, LLC	Colorado
STK Atlanta, LLC	Georgia
STK Aventura, LLC	Delaware
STK Bellevue, LLC	Washington
STK Boston, LLC	Delaware
STK Charlotte, LLC	Delaware
STK Cherry Creek, LLC	Delaware
STK Chicago LLC	Illinois
STK Dallas II, LLC	Texas
STK Dallas, LLC	Texas
STK DC, LLC	Delaware
STK Denver, LLC	Colorado
STK Ibiza, LLC	Delaware
STK Miami Service, LLC	Florida
STK Miami, LLC	Florida
STK Midtown Holdings, LLC	New York
STK Midtown, LLC	New York

STK Nashville, LLC	Tennessee
STK Orlando LLC	Florida
STK Rebel (Edinburgh) Limited	United Kingdom
STK Rebel Austin, LLC (dissolved)	Texas
STK Rebel San Diego, LLC	California
STK Rooftop San Diego, LLC	California
STK Salt Lake City, LLC	Delaware
STK San Francisco, LLC	Delaware
STK Scottsdale, LLC	Delaware
STK Texas Holdings II, LLC	Delaware
STK Texas Holdings, LLC	Delaware
STK Washington DC, LLC	Delaware
STK Westwood II, LLC	Delaware
STK Westwood, LLC	California
STK-LA, LLC	New York
T.O.G. (Aldwych) Limited	United Kingdom
T.O.G. (Milan) S.r.l.	Italy
T.O.G. (UK) Limited	United Kingdom
TB Dev Denver LLC	Delaware
TBH Dev DT Brea, LLC	Delaware
TBH Dev Emeryville, LLC	Delaware
TBH Dev San Jose, LLC	Delaware
Teppan Restaurants, Ltd.	Oregon
The One Group – Gantry, LLC	Delaware
The One Group – Mexico, LLC	Delaware
The One Group – Qatar Ventures, LLC	Delaware
The ONE Group – STKPR, LLC	Delaware
The ONE Group, LLC	Delaware
The One Group–MENA, LLC	Delaware
The Samurai, Inc.	New York
TK Dev Albuquerque, LLC	Delaware
TK Dev Centennial, LLC	Delaware
TK Dev Henderson, LLC	Delaware
TK Dev Lake Union, LLC	Delaware
TK Dev Phoenix Downtown, LLC	Delaware
TK Dev Tigard, LLC	Delaware
TOG Biscayne, LLC	Florida
TOG Kaizen Acquisition, LLC	Delaware
TOG Kona Baltimore, LLC	Delaware
TOG Kona Grill Columbus, LLC	Delaware
TOG Kona Grill Phoenix, LLC	Delaware
TOG Kona Grill Riverton, LLC	Delaware
TOG Kona Macadamia, LLC	Delaware
TOG Kona Maryland, LLC (Dissolved)	Delaware
TOG Kona Sushi, LLC	Arizona
TOG Kona Texas Concession, LLC	Delaware
TOG Kona Texas, LLC	Texas
TOG Marketing LLC	Florida
TOG Orlando F&B Manager LLC	Florida
TS Dev Houston, LLC	Delaware
TS Dev MPD II, LLC	Delaware
TS Dev Niagara Falls, LLC	Delaware
TS Dev Oak Brook, LLC	Delaware
TS Dev Park Ave, LLC	Delaware
TS Dev Philadelphia, LLC	Delaware
TS Dev Topanga, LLC	Delaware
TS Dev White Plains, LLC	Delaware
WSATOG (Miami), LLC	Delaware

OTHER SUBSIDIARIES (not consolidated for GAAP purposes):

Bagatelle Little West 12th, LLC	New York
Bagatelle La Cienega, LLC	California
Bagatelle NY LA Investors, LLC	New York

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement No. 333-280027 and 333-281206 on Form S-3, and 333-265861 on Form S-8 of our reports dated March 10, 2025, relating to the financial statements of The ONE Group Hospitality, Inc. (the "Company") and the effectiveness of the Company's internal control over financial reporting, appearing in the Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Denver, Colorado
March 10, 2025

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, Emanuel Hilario, certify that:

1. I have reviewed this Annual Report on Form 10-K of The ONE Group Hospitality, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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.

Date: March 10, 2025

/s/ Emanuel Hilario
Emanuel Hilario
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Tyler Loy, certify that:

1. I have reviewed this Annual Report on Form 10-K of The ONE Group Hospitality, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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.

Date: March 10, 2025

/s/ Tyler Loy
Tyler Loy
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS UNDER SECTION 906

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of The ONE Group Hospitality, Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Annual Report for the year ended December 31, 2024 (the “Form 10-K”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 10, 2025

/s/ Emanuel Hilario
Emanuel Hilario
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATIONS UNDER SECTION 906

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of The ONE Group Hospitality, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report for the year ended December 31, 2024 (the "Form 10-K") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 10, 2025

/s/ Tyler Loy
Tyler Loy
Chief Financial Officer
(Principal Financial Officer)