

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **March 31, 2025**

OR

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

For the transition period from _____ to _____

Commission File Number: **001-41727**

GEN Restaurant Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
11480 South Street Suite 205
Cerritos, CA
(Address of principal executive offices)

87-3424935
(I.R.S. Employer
Identification No.)

90703
(Zip Code)

Registrant's telephone number, including area code: (562) 356-9929

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common stock, par value \$0.001 per share	GENK	The Nasdaq Stock Market LLC (The Nasdaq Global Market)

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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

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

As of May 12, 2025 the registrant had 5,038,461 shares of Class A common stock, \$0.001 par value per share, outstanding and 27,761,515 shares of Class B common stock, \$0.001 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

**GEN RESTAURANT GROUP, INC.
Condensed Consolidated Balance Sheets**

(in thousands, except share and per share information)	March 31, 2025 (unaudited)	December 31, 2024
Current assets:		
Cash and cash equivalents	\$ 15,364	\$ 23,675
Inventories	894	727
Accounts receivable	911	3,487
Income tax receivable	306	—
Prepaid expenses and other current assets	4,835	6,004
Total current assets	<u>22,310</u>	<u>33,893</u>
Property and equipment, net	56,767	52,639
Goodwill	9,498	9,498
Operating lease assets	130,095	131,542
Deferred tax asset	12,207	11,686
Other assets	1,486	1,157
Total assets	<u>\$ 232,363</u>	<u>\$ 240,415</u>
Liabilities and equity		
Current liabilities		
Accounts payable	12,991	12,408
Accrued salaries and benefits	1,897	3,243
Accrued interest	66	60
Notes payable, current	1,755	1,724
Line of credit	—	3,000
Obligations under finance leases, current	—	26
Operating lease liabilities, current	5,810	5,221
Deferred Restaurant Revitalization Fund grant	3,806	3,806
Gift card liabilities	3,688	5,983
Other current liabilities	5,000	5,598
Total current liabilities	<u>35,013</u>	<u>41,069</u>
Notes payable, net of current portion	4,699	5,140
Tax receivable agreement liability	956	691
Operating lease liabilities, net of current portion	147,403	147,898
Total liabilities	<u>188,071</u>	<u>194,798</u>
Commitments and contingencies (Note 11)		
Mezzanine equity		
EB-5 Members' equity	1,500	1,500
Permanent equity		
Class A common stock, \$0.001 par value, 70,000,000 shares authorized, 5,038,461 shares issued and outstanding and 4,913,064 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	5	5
Class B common stock, \$0.001 par value, 50,000,000 shares authorized, 27,761,515 shares issued and outstanding and 27,886,912 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	28	28
Additional paid-in capital	12,562	11,782
Retained Earnings	615	915
Non-controlling interest	29,582	31,387
Total permanent equity	<u>42,792</u>	<u>44,117</u>
Total liabilities and stockholders' equity	<u>\$ 232,363</u>	<u>\$ 240,415</u>

See accompanying notes to condensed consolidated financial statements.

GEN RESTAURANT GROUP, INC
Condensed Consolidated Statements of Operations

(in thousands, except per share amounts)	Three months ended March 31,	
	2025	2024
	(unaudited)	
Revenue	\$ 57,337	\$ 50,760
Restaurant operating expenses:		
Food cost	19,262	16,968
Payroll and benefits	18,189	16,152
Occupancy expenses	5,091	4,293
Operating expenses	5,926	5,098
Depreciation and amortization	1,993	1,537
Pre-opening costs	2,648	1,901
Total restaurant operating expenses	53,109	45,949
General and administrative	6,370	4,674
Depreciation and amortization - corporate	34	29
Total costs and expenses	59,513	50,652
(Loss) income from operations	(2,176)	108
Gain on remeasurement of previously held interest (see Note 3)	—	3,402
Interest income, net	60	276
Equity in loss of equity method investee	—	(17)
Net (loss) income before income taxes	(2,116)	3,769
(Benefit) provision for income taxes	(152)	71
Net (loss) income	(1,964)	3,698
Less: Net (loss) income attributable to noncontrolling interest	(1,663)	3,202
Net (loss) income attributable to GEN Restaurant Group, Inc.	(301)	496
Net (loss) income attributable to Class A common stock per share - basic and diluted	\$ (301)	\$ 496
Weighted-average shares of Class A common stock outstanding - basic	5,013	4,324
Weighted-average shares of Class A common stock outstanding - diluted	5,013	4,324
Net (loss) income per share of Class A common stock - basic	\$ (0.06)	\$ 0.11
Net (loss) income per share of Class A common stock - diluted	\$ (0.06)	\$ 0.11

See Note 15 for calculation of net income (loss) per share.

See accompanying notes to condensed consolidated financial statements.

GEN RESTAURANT GROUP, INC.
Condensed Consolidated Statements of Changes in Permanent Equity (Deficit)
(unaudited)

Three months ended March 31, 2025 and March 31, 2024

(in thousands except for share amounts)	Class A Common Stock		Class B Common Stock		Additio nal paid-in capital	Retai ned Earni ngs	Non- Controlli ng Interest	Stockhold ers' Equity/ Members' equity (deficit)
	Shares	Amo unt	Shares	Amo unt				
	Balance, December 31, 2023	4,140,000	\$ 4	28,141,566				
Net income					496	3,202	3,698	
Stock-based compensation					759			759
Adjustment to tax liabilities and assets under TRA					(113)			(113)
Shares issued upon RSU vesting	117,304							—
Exchange of noncontrolling interest for Class A common stock	254,654		(254,654)		258		(258)	—
Balance, March 31, 2024	4,511,958	\$ 4	27,886,912	\$ 28	\$ 8,016	\$ 818	\$ 31,496	\$ 40,362

(in thousands except for share amounts)	Class A Common Stock		Class B Common Stock		Additional paid-in capital	Retained Earnings	Non- Controlling Interest	Stockholders' Equity/ Members' equity
	Shares	Amount	Shares	Amount				
	Balance, December 31, 2024	4,913,064	\$ 5	27,886,912				
Net loss						(301)	(1,663)	(1,964)
Stock-based compensation					734			734
Adjustment to tax liabilities and assets under TRA					105			105
Exchange of noncontrolling interest for Class A common stock	125,397		(125,397)		142		(142)	—
Purchase of Class A common stock under stock repurchase plan					(200)			(200)
Balance, March 31, 2025	5,038,461	\$ 5	27,761,515	\$ 28	\$ 12,563	\$ 615	\$ 29,582	\$ 42,792

See accompanying notes to condensed consolidated financial statements.

GEN RESTAURANT GROUP, INC.
Condensed Consolidated Statements of Cash Flows

(in thousands)	For the three months ended March 31,	
	2025	2024
	(unaudited)	
Cash flows from operating activities		
Net (loss) income	\$ (1,964)	\$ 3,698
Adjustments to reconcile net (loss) income to cash provided by operating activities		
Depreciation and amortization	2,027	1,566
Equity in income of equity method investee, net of distributions	—	17
Gain on remeasurement of previously held interest	—	(3,402)
Stock-based compensation	734	759
Amortization of operating lease assets	1,562	1,304
Interest income earned on Notes receivable from related party	—	(17)
Deferred tax expense	(153)	—
Changes in operating assets and liabilities:		
Accounts receivable	2,575	—
Inventories	(168)	(13)
Income tax receivable	(306)	—
Prepaid expenses and other current assets	1,170	(479)
Other assets	(329)	(136)
Accounts payable	1,261	1,985
Accrued salaries and benefits	(1,347)	(1,135)
Accrued interest	6	15
Gift card liabilities	(2,295)	—
Other current liabilities	(598)	249
Operating lease liabilities	(21)	(790)
Deferred tax asset	—	(107)
Net cash provided by operating activities	2,154	3,514
Cash flows from investing activities		
Purchase of property and equipment	(6,829)	(4,100)
Acquisition of GKBH, net of cash acquired	—	(2,976)
Net cash used in investing activities	(6,829)	(7,076)
Cash flows from financing activities		
Payments to members for advances	—	(864)
Payments for deferred offering costs	—	(7)
Payments on EIDL loans	(28)	(22)
Payments on finance leases	(25)	(37)
Payments on third party loans	(383)	(17)
Payments on related party loans	—	—
Payment on line of credit	(3,000)	—
Payments under stock repurchase plan	(200)	—
Net cash used in financing activities	(3,636)	(947)
Net change in cash and cash equivalents	(8,311)	(4,509)
Cash and cash equivalents at beginning of period	23,675	32,631
Cash and cash equivalents at end of the period	\$ 15,364	\$ 28,122
Supplemental disclosures of other cash flow information:		
Cash paid for interest	\$ 67	\$ 70
Cash paid for taxes	114	—
Non-cash investing and financing activities:		
Reduction in accounts payable and accruals for purchases of property and equipment	674	—
Unpaid purchases of property and equipment	—	837
Unpaid deferred offering costs	—	118
Leased assets obtained in exchange for new operating lease liabilities	897	23,421
Issuance of promissory note for business acquisition	—	3,000

See accompanying notes to condensed consolidated financial statements.

GEN RESTAURANT GROUP, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)
March 31, 2025 and 2024

(1) Organization and Description of Business

The accompanying consolidated financial statements represent the consolidated balance sheets, statements of operations, changes in permanent equity (deficit), and cash flows of GEN Restaurant Group, Inc. and its consolidated subsidiaries (collectively, the “Company”), including GEN Restaurant Companies, LLC (the “Operating Company”). The Company operates restaurants which are located in California, Arizona, Hawaii, Nevada, Washington, New York, Texas, New Jersey, Florida, Oregon and North Carolina, specializing in a variety of special flavored meats for Korean barbeque.

The following tables lists the Company’s entities in operation as of March 31, 2025:

Name	Operating Name	State	Purpose
GEN Restaurant Group, LLC	GEN Tustin	CA	Restaurant
	GEN Huntington Beach	CA	Restaurant
	GEN Oxnard	CA	Restaurant
JC Group International Inc. (S Corp)	GEN Henderson	NV	Restaurant
	GEN West Covina	CA	Restaurant
	GEN Corona	CA	Restaurant
GEN Restaurant Investment, LLC	GEN Glendale	CA	Restaurant
GEN California, LLC	GEN Fullerton	CA	Restaurant
	GEN Mira Mesa	CA	Restaurant
GEN Arizona, LLC	GEN Tempe	AZ	Restaurant
GEN Chandler, LLC	GEN Chandler	AZ	Restaurant
GEN Nevada, LLC	GEN Sahara	NV	Restaurant
	GEN Miracle Mile	NV	Restaurant
GEN Alhambra, LLC	GEN Alhambra	CA	Restaurant
GEN Arlington, LP	GEN Arlington	TX	Restaurant
GEN Cerritos, LLC	GEN Cerritos	CA	Restaurant
GEN Cerritos II, LP	Gen Cerritos II	CA	Restaurant
GEN Torrance, LLC	GEN Torrance	CA	Restaurant
GEN Rancho Cucamonga, LP	GEN Rancho Cucamonga	CA	Restaurant
GEN San Jose, LP	GEN San Jose	CA	Restaurant
GEN Northridge, LP	GEN Northridge	CA	Restaurant
GEN Chino Hills, LP	GEN Chino Hills	CA	Restaurant
GEN Carrollton, LP	GEN Carrollton	TX	Restaurant
GEN Fort Lauderdale, LP	GEN Fort Lauderdale	FL	Restaurant
GEN Fremont, LP	GEN Fremont	CA	Restaurant
GEN Concord, LP	GEN Concord	CA	Restaurant
GEN Webster, LP	GEN Webster	TX	Restaurant
GEN Westgate, LP	GEN Westgate	CA	Restaurant
GEN Westheimer, LLC	GEN Westheimer	TX	Restaurant
GEN Manhattan NYU, LP	GEN Manhattan	NY	Restaurant
GEN Maui, LP	GEN Maui	HI	Restaurant
GEN Mountain View, LP	GEN Mountain View	CA	Restaurant
GKBH Restaurant, LLC	GEN Korean BBQ	HI	Restaurant
GEN Hawaii, LLC	Investment Company	HI	Management of GKBH
GEN Online, LLC	GEN Online	CA	Website sales
GEN Sacramento, LP	GEN Sacramento	CA	Restaurant
GEN Pearlridge, LLC	GEN Pearlridge	HI	Restaurant
GEN Kapolei, LP	GEN Kapolei	HI	Restaurant
GEN Frisco, LP	GEN Frisco	TX	Restaurant
GEN Houston, LLC	GEN Houston	TX	Restaurant
GEN Seattle, LP	GEN Seattle	WA	Restaurant
GEN Jacksonville, LP	GEN Jacksonville	FL	Restaurant
GEN Dallas, LP	GEN Dallas	TX	Restaurant
GEN Pflugerville, LP	GEN Pflugerville	TX	Restaurant
GEN Tigard, LP	GEN Tigard	OR	Restaurant
GEN Texas, LLC	Investment Company	TX	Management of GEN Houston and GEN Webster
GEN Master, LLC	Holding Company	NV	Management
GEN Grills, LP	GEN Grills	DE	Hibachi Concept
GEN Orlando, LP	GEN Orlando	FL	Restaurant
GEN Edison, LP	GEN Edison	NJ	Restaurant
GEN San Antonio, LP	GEN San Antonio	TX	Restaurant
GEN Austin, LP	GEN Austin	TX	Restaurant
Kan Sushi Austin, LP	Kan Sushi	TX	Restaurant
GEN Cary, LP	GEN Cary	NC	Restaurant
GEN Restaurant Management, LLC	GRM	DE	Management

GEN RESTAURANT GROUP, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)
March 31, 2025 and 2024

As of March 31, 2025, the above entities are collectively owned 100% by the controlling group. The Company had an equity method investment through GEN Hawaii, with a 50% ownership share of GKBH Restaurant, LLC (“GKBH”). On February 18, 2024, the Company purchased the other 50% of GKBH for a total purchase price of \$6.0 million and the Company now controls 100% of GKBH. As of March 31, 2025 and December 31, 2024, there were 49 and 43 restaurants in operation, respectively. During the first quarter of 2025, the Company signed two leases for restaurants, one in Sterling Heights, Michigan for a term of twenty years and one in South Korea for a term of five years.

Organization

GEN Restaurant Group, Inc. (“GEN Inc.”) was formed as a Delaware corporation on October 28, 2021 and is based in Cerritos, California. As the managing member of the Operating Company, GEN Inc. operates and controls all the business and affairs of the Operating Company, and through the Operating Company and its consolidated subsidiaries, conducts its business. Unless the context otherwise requires, references to the “Company” refer to GEN Inc., and its consolidated subsidiaries, including the Operating Company.

On June 30, 2023, the Company completed an initial public offering (the “IPO”) of 4,140,000 shares of Class A common stock at \$12.00 per share that generated aggregate net proceeds of \$46.2 million.

(2) Basis of Presentation and Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company, collectively, have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “Annual Report”). These unaudited condensed consolidated financial statements were prepared on the same basis as the audited consolidated financial statements, and, in the opinion of management, reflect all adjustments (all of which were considered of a normal recurring nature) considered necessary to present fairly the Company’s financial results. The results for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2025 and for any other interim period or future year.

(b) Recent Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, “*Segment Reporting (Topic 820): Improvements to Reportable Segment Disclosures*” which provides guidance to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023. The Company adopted this ASU in the fourth quarter of 2024, and as a result, there was no material impact on the consolidated financial statements.

In November 2024, the Financial Accounting Standards Board (“FASB”) issued ASU 2024-03, “*Disaggregation of Income Statement Expenses*” and in January 2025, the FASB issued ASU 2025-01, “*Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*”, which requires public companies to include additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific type of expense included in the expense captions presented in the income statement. ASU 2024-03, as clarified by ASU 2025-01, is effective for fiscal years beginning after December 15, 2026. The Company is in the process of evaluating the impact that the adoption of these ASU’s will have on the consolidated financial statements and related disclosures.

GEN RESTAURANT GROUP, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)
March 31, 2025 and 2024

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740),” “Improvements to Income Tax Disclosures,” which is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the presentation effect that ASU 2023-09 will have on the consolidated financial statements and expects the update to result in additional disclosures in the Annual Report on the Form 10-K for the year ending December 31, 2025.

(c) Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities in the accompanying unaudited condensed consolidated financial statements of the Company. The accompanying condensed consolidated financial statements have been prepared in conformity with GAAP and applicable rules, and regulations of the SEC regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Annual Report.

(d) Goodwill

Goodwill is calculated under Accounting Standards Codification (“ASC”) 805-30-30, which represents the excess of the fair value of purchase consideration of an acquired business over the fair value of the identifiable net assets acquired. Goodwill is not amortized but is tested for impairment at a reporting unit level on an annual basis, or more frequently if circumstances change or an event occurs that would more likely than not reduce the fair value of the a reporting unit below its carrying amount.

(e) Business Combinations

The Company accounts for business combinations under the acquisition method of accounting in accordance with ASC Topic 805, “Business Combinations” (“ASC 805”). Under the acquisition method, we recognize 100% of the assets we acquire and liabilities we assume, regardless of the percentage we own, at their estimated fair values as of the date of acquisitions. Any excess of the purchase price over the fair value of the net assets and other identifiable intangible assets we acquire is recorded as goodwill. The assets we acquire, and liabilities we assume from contingencies, are recognized at fair value if we can readily determine the fair value during the measurement period. The operating results of the business the Company acquired are included in the consolidated statements of operations from the date of acquisition.

(f) Equity-Based Compensation

The Company accounts for grants of equity awards to employees in accordance with ASC Topic 718, “Stock Based Compensation”. The Company issued restricted stock units to its employees in 2023.

The Company estimates the fair value of the restricted stock units on the grant-date and recognizes the resulting fair value over the requisite service period. The fair value of each restricted stock unit or award is determined based upon the value of the common stock granted. The Company has elected to treat stock-based awards with graded vesting schedules and time-based service conditions as a single award and recognizes stock-based compensation on a straight-line basis over the requisite service period. Forfeitures are accounted for as they occur.

(g) Cash and Cash Equivalents

The Company and its related entities consider all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents. As of each of March 31, 2025 and December 31, 2024, cash and cash equivalents consist principally of cash, money market accounts and short-term investments. Short-term investments are classified as available for sale securities, which are carried at fair value, with changes in fair value reported in earnings. Cash equivalents also include credit card transactions in transit.

As of March 31, 2025 and December 31, 2024, there were deposits in excess of federally insured amounts of \$2.5 million and \$2.9 million, respectively.

GEN RESTAURANT GROUP, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)
March 31, 2025 and 2024

Fair Value Measurements at March 31, 2025.

(in thousands)	Carrying Value/Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total
Money Market Accounts (included in cash and cash equivalents)	\$ 1,019	\$ —	\$ —	\$ 1,019
U.S. Treasury Securities (included in cash and cash equivalents)	\$ 8,000	\$ 1,452	\$ —	\$ 9,452
	<u>\$ 9,019</u>	<u>\$ 1,452</u>	<u>\$ —</u>	<u>\$ 10,471</u>

Represent money market accounts. Excludes \$4.9 million of cash and cash equivalents at March 31, 2025.

Fair Value Measurements at December 31, 2024.

(in thousands)	Carrying Value/Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total
Money Market Accounts (included in cash and cash equivalents)	\$ 6,459	\$ —	\$ —	\$ 6,459
U.S. Treasury Securities (included in cash and cash equivalents)	\$ 13,000	\$ 1,317	\$ —	\$ 14,317
	<u>\$ 19,459</u>	<u>\$ 1,317</u>	<u>\$ —</u>	<u>\$ 20,776</u>

Represent money market accounts. Excludes \$2.9 million of cash and cash equivalents at December 31, 2024.

(h) Concentration Risk

The Company relies on third parties for specified food products and supplies. In instances where these parties fail to perform their obligation, the Company may be unable to find alternative suppliers.

The Company relies on Sysco Los Angeles, Inc. (“Sysco”), an unrelated third-party, for a significant portion of its food products. During the fourth quarter of 2023, the Company entered into an agreement with Sysco to purchase certain food supplies. For the three months ended March 31, 2025 and March 31, 2024, Sysco accounted for approximately 63.9% and 35.2% of total food costs, respectively.

During the three months ended March 31, 2025 and 2024, two third party vendors accounted for 41.3% and 18.6% of total food costs, respectively.

(i) Inventories

Inventories consist principally of food and beverages and are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method (FIFO) for all inventories.

(j) Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, “Revenue from Contracts with Customers.” Revenue from the operation of the restaurants is recognized as food and beverage products are delivered to customers and payment is tendered at the time of sale.

Sales tax amounts collected from customers are remitted to governmental authorities and are excluded from revenue.

The Company started selling gift cards primarily during the fourth quarter of 2024. The Company sells gift cards which do not expire. Gift card balances are initially recorded as unearned income. Revenue from gift cards is recognized when gift cards are redeemed by the guest or, in the event a gift card is not expected to be redeemed, in proportion to actual redemptions of gift cards (“gift card breakage”). Gift card breakage income is included in revenue on the condensed consolidated statements of operations.

(k) Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. Property and equipment under finance leases are stated at the present value of minimum lease payments.

GEN RESTAURANT GROUP, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)
March 31, 2025 and 2024

The estimated useful service lives are as follows:

Equipment	5 - 7 Years
Furniture and fixtures	5 - 7 Years
Leasehold improvements	Shorter of useful life or remaining lease term

The Company and its related entities capitalize certain costs in conjunction with improvements to specific sites for planned future restaurants. The Company and its related entities also capitalize certain costs, including interest, in conjunction with constructing new restaurants. These costs are included in property and equipment and are amortized over the shorter of the life of the related leasehold improvements or the remaining lease term. The Company and its related entities did not capitalize any internal costs related to site preparation and construction activities during the three months ended March 31, 2025 and March 31, 2024 as any amounts were deemed immaterial.

(l) Other Assets and Other Current Liabilities

Other assets as of March 31, 2025 and December 31, 2024 consist of the following:

<i>(in thousands)</i>	March 31, 2025	December 31, 2024
Other Assets		
Security Deposits	\$ 1,262	\$ 933
Liquor Licenses	224	224
Total Other Assets	\$ 1,486	\$ 1,157

Other Current Liabilities as of March 31, 2025 and December 31, 2024 consist of the following:

<i>(in thousands)</i>	March 31, 2025	December 31, 2024
Other Current Liabilities		
Sales tax payable	\$ 1,707	\$ 1,645
Accrued percentage rent	1,143	1,221
Misc. accrued expenses	2,150	2,732
Total Other Current Liabilities	\$ 5,000	\$ 5,598

(m) Advances from members

Advances from members of the Operating Company (the "Members") consist of funding received from the Members. During the first quarter of 2024, the Company re-paid Members \$864 thousand. As of March 31, 2025, and December 31, 2024, the Company did not owe any balance related to these advances from the Members.

(n) Pre-Opening Costs

Pre-opening costs, incurred in connection with the opening of new restaurants, are recorded as expenses when the costs are incurred. Pre-opening costs for the three months ended March 31, 2025 and 2024 were \$2.6 million and \$1.9 million, respectively.

(o) Income Taxes

Prior to the IPO, the Company and its related entities were organized as limited liability companies or limited partnerships and are treated as pass-through entities for federal and state income tax purposes. As the Operating Company and its related entities (other than GEN Inc.) have elected to be treated as partnerships for income tax purposes and are not subject to federal or state income taxes, income or loss is included in the tax returns of the members or the partners of the Operating Company and its related entities based on their respective shares.

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Deferred tax assets are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes positions taken or expected to be taken in a tax return in accordance with existing accounting guidance on income taxes which prescribes a recognition threshold and measurement process. Under GAAP, a tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Interest and penalties on tax liabilities, if any, would be recorded in the interest expense and other non-interest expense line items, respectively.

In assessing the realizability of deferred tax assets, management considered whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

(p) Long-Lived Assets

Long-lived assets, such as property and equipment owned, are reviewed quarterly for impairment and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, undiscounted cash flows expected to be generated by that asset or asset group are compared to its carrying amount. If the carrying amount of the long-lived asset or asset group is not expected to be recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. We assessed our long-lived assets for potential impairment with the result that no impairment charges were recorded in any of the periods presented.

(q) Interest Income/Expense

A reconciliation of total interest cost to interest income/expense as reported in the condensed consolidated statements of operations for the three months ended March 31, 2025 and March 31, 2024 is as follows:

(in thousands)	For the three months ended March 31,	
	2025	2024
Interest expense	\$ 95	\$ 87
Interest income	(155)	(363)
Interest income, net	\$ (60)	\$ (276)

(r) Liquor Licenses

Liquor licenses are deemed to have indefinite useful lives and are qualitatively tested on an annual basis for impairment. Liquor licenses are included in the other assets line item in the accompanying condensed consolidated balance sheets.

(s) Sales Taxes

Sales taxes are imposed by state, county, and city governmental authorities, collected from customers and remitted to the appropriate governmental agency. The Company’s policy is to record the sales taxes collected as a liability and then remove the liability when the sales tax is remitted. There is no impact on the condensed consolidated statements of operations as restaurant sales are recorded net of sales tax.

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(t) Advertising Costs

Advertising costs are expensed as incurred and are included in General and Administrative expenses in the accompanying condensed consolidated statements of operations. For the three months ended March 31, 2025 and 2024, the Company incurred approximately \$706 thousand and \$104 thousand in advertising expenses, respectively.

(u) Risks and Uncertainties.

We have been subject to continued risks and uncertainties as a result of the outbreak of pandemics, and local, state and federal governmental responses to a pandemic. We cannot predict whether future pandemic outbreaks will reoccur or whether additional restrictions may be enacted, to what extent we can maintain sales volumes during or following any resumption of mandated social distancing protocols or vaccination or mask mandates and what long-lasting effects a pandemic may have on the restaurant industry as a whole.

The Company has experienced, and in the future may experience, inflation related to its purchase of certain food supplies that the Company needs to operate its business. This price volatility could potentially have a material impact on the Company's financial condition and/or its results of operations. In order to mitigate price volatility, the Company monitors cost fluctuations and may adjust its menu prices accordingly. The Company's ability to compensate for higher costs through increased menu pricing may be limited by the competitive environment in which the Company operates.

We have evaluated and will continue to evaluate the impact of import laws and tariffs on our operations. As of March 31, 2025, import laws and tariffs have not had a material impact on our business, financial condition, results of operations or cash flows. However, we expect tariffs will impact our operations in certain areas, such as food and beverage costs, construction and equipment costs and other restaurant operating costs, for the remainder of fiscal 2025.

(v) Restaurant Revitalization Fund

In 2021, several of the Company's restaurants received a total of approximately \$16.8 million from the Restaurant Revitalization Fund ("RRF"). The RRF funds must be used for specific purposes, and the Company was required to provide use of funds validation on an annual basis through March 2023. The Company accounted for the RRF funds as a government grant and has recognized the amounts as income as related expenses were incurred. During the year ended December 31, 2022, the Company recognized approximately \$13.0 million as RRF grant income and had deferred the remaining balance of \$3.8 million. No RRF grant income was recognized during the three months ended March 31, 2025 and March 31, 2024.

(w) Employee Retention Credits

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act was signed into law, providing numerous tax provisions and other stimulus measures, including the Employee Retention Credit ("ERC"), a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the ERC. We qualified for the ERC in the first and second quarters of 2019, second and fourth quarters of 2020 and first, second and third quarters of 2021. During the three months ended March 31, 2025 and March 31, 2024, we did not receive any benefits to record.

(x) Net Income Per Share

Basic net income per share is computed by dividing net income attributable to the Company by the weighted-average number of shares outstanding during the period. Diluted net income per share is computed by giving effect to all potential weighted-average dilutive shares including stock options, restricted stock units, dividend equivalent units, restricted stock awards, and Class B Common Units exchangeable for shares of Class A common stock. The dilutive effect of outstanding awards, if any, is reflected in diluted earnings per share by application of the treasury stock method or if-converted method, as applicable. See "Note 15—Net Income per Share."

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(y) Goodwill

Goodwill is calculated under ASC 805-30-30, which represents the excess of the fair value of purchase consideration of an acquired business over the fair value of the identifiable net assets acquired. Goodwill is not amortized but is tested for impairment at a reporting unit level on an annual basis, or more frequently if circumstances change or an event occurs that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

(z) Accounts Receivable

Accounts receivable consist primarily of receivable from Costco for gift card sales. The collectability of accounts receivable is evaluated based on a variety of factors, including historical experience, current economic conditions and other factors.

(3) Business Combinations

On February 18, 2024, we acquired the remaining 50% interest in GKBH, which was previously accounted for under the equity method. GKBH has been consolidated in our consolidated financial statement commencing February 18, 2024, the date of acquisition. The purchase price for the acquisition was allocated based on estimates of the fair value of the net assets acquired at the acquisition date, with the excess allocated to goodwill. The total consideration for the acquisition was \$6.0 million, payable in cash. During the three months ended March 31, 2024, we recognized approximately \$370 thousand in acquisition-related costs, which were included within “Gain on remeasurement of previously held interest” in our condensed consolidated statements of operations.

The following table summarizes the fair value of GKBH’s assets and liabilities at the acquisition date, and the resulting goodwill.

(in thousands)	
Purchase price of 50% interest in GKBH	\$ 6,000
Acquisition-date fair value of previously held interest (Level 2)	4,286
Fair value of GKBH at acquisition date	<u>10,286</u>
(in thousands)	
Cash	\$ 24
Accounts Receivable	96
Inventories	22
Prepaid and Other assets	118
Deposits	67
Property and equipment	745
Operating lease right-of use assets	3,851
Liabilities assumed	(4,135)
Total identifiable net assets	<u>\$ 788</u>
Goodwill	<u>9,498</u>
	<u>\$ 10,286</u>

Goodwill is calculated as the excess of the purchase price over the net assets acquired. The Company expects that a portion of the goodwill balance to be deductible for tax purposes over a period of 15 years. Goodwill is primarily attributed to growth and efficiency opportunities, expected synergies from combining the operations with the Company, and the assembled workforce.

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The following table presents unaudited supplemental consolidated pro forma results as if the acquisition of GKBH had occurred on January 1, 2024.

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2024	
Revenue	\$	51,669
Net income before taxes		733
Earnings per common share:		
Basic	\$	(0.61)
Diluted	\$	(0.61)

(4) Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents and investments. The carrying amounts reported in the accompanying condensed consolidated balance sheets for cash and cash equivalents approximate fair value because of the short-term maturity of those instruments. Fair value measurements are classified and disclosed in one of the following three categories:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of March 31, 2025, all of the Company's financial assets that were subject to fair value measurement were valued using observable inputs. The Company's financial assets valued based on Level 1 inputs consist of cash and money market funds. The Company's financial assets based on Level 1 inputs consist of U.S. treasury securities.

(in thousands)	Total	Fair Value Measurements at March 31, 2025		
		Level 1	Level 2	Level 3
Money Market Account (included in Cash and Cash Equivalents)	\$ 1,019	\$ 1,019	\$ —	\$ —
U.S. Treasury Securities (included in Cash and Cash Equivalents)	\$ 9,452	\$ 9,452	\$ —	\$ —
		Fair Value Measurements at December 31, 2024		
Money Market Account (included in Cash and Cash Equivalents)	\$ 6,459	\$ 6,459	\$ —	\$ —
U.S. Treasury Securities (included in Cash and Cash Equivalents)	\$ 14,317	\$ 14,317	\$ —	\$ —

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(5) Property and Equipment, Net

The costs and related accumulated depreciation and amortization of major classes of property:

(in thousands)	For the period ended	
	March 31, 2025	December 31, 2024
Equipment	19,088	16,597
Furniture and fixtures	7,639	6,678
Leasehold improvements	64,821	55,275
Other assets	414	414
Construction in progress	5,966	12,809
	<u>\$ 97,928</u>	<u>\$ 91,773</u>
Less accumulated depreciation and amortization	(41,161)	(39,134)
Property and Equipment, Net	<u>\$ 56,767</u>	<u>\$ 52,639</u>

The construction in progress balance on each of March 31, 2025 and December 31, 2024 is related to new stores being developed for openings expected in 2025.

Total depreciation and amortization for the three months ended March 31, 2025 and March 31, 2024 was \$2.0 million and \$1.6 million, respectively, of which \$0 and \$31 thousand for those periods were related to assets acquired under a finance lease.

(6) Gift Cards

Total deferred revenue related to gift cards include the full value of the unredeemed gift card balances less recognized breakage and the unamortized portion of third party fees. The following table presents information related to gift cards:

(in thousands)	For the three months ended	
	March 31, 2025	
Gift card liabilities:		
Beginning Balance	\$ 5,983	
Gift Card Activations	2,043	
Gift Card Redemptions	(3,572)	
Gift Card Breakage	(766)	
Ending Balance	<u>\$ 3,688</u>	

(7) Line of Credit

On February 18, 2024, the Company finalized an agreement with WDI International, Inc. to acquire the remaining 50% ownership stake in GKBH, along with securing rights for participation in upcoming restaurant ventures in Hawaii, at a valuation of \$6.0 million. Subsequently, on the same date, the Company disbursed \$3.0 million in cash and committed to a promissory note amounting to \$3.0 million as per the terms of the agreement. The note was non-interest bearing and was due August 16, 2024, at which time the note was paid in full on August 16, 2024.

On September 29, 2023, the Company entered into a \$20.0 million line of credit with PCB Bank. The line of credit matures on September 25, 2025, and bears interest at a variable rate per annum equal to 7.75% as of March 31, 2025. As of March 31, 2025, the balance was \$0.

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(8) Notes Payable

Notes Payable to Bank

During the third quarter of 2024, the Company entered into a loan agreement with a bank in the amount of \$3.0 million with a maturity date of June 26, 2026, at a variable interest rate which is defined as the Wall Street Journal Prime Rate plus 0.25%, resulting in an interest rate of 7.75% as of March 31, 2025. The balance as of March 31, 2025 was \$1.9 million.

Economic Injury Disaster Loan (“EIDL”)

On July 1, 2020, the Company executed the standard loan documents for six restaurants required for securing an EIDL loan from the United States Small Business Administration (the “SBA”) under its Economic Injury Disaster Loan assistance program. This assistance was sought in light of the impact of the COVID-19 pandemic on the Company’s business.

As of both March 31, 2025 and December 31, 2024, the total principal amounts of the EIDLs were \$4.3 million and \$4.4 million, respectively, and the proceeds were used for working capital purposes. Interest accrues on the EIDL loans at 3.75% per annum. Installment payments, including principal and interest, are due monthly beginning twelve months from the origination date of each loan. The balance of principal and interest is payable over thirty years from the date of the promissory note.

Note Payable to Landlord

In August 2017, GEN Fremont entered into a note agreement with a landlord. The Company is making equal monthly payments on this note which has a July 2027 maturity date, with an interest rate of 8.00% per annum. As of March 31, 2025 and December 31, 2024, the loan balance outstanding was \$185 thousand and \$203 thousand, respectively.

Total Obligations of Notes Payable

The aggregate maturities of all third party notes payable as of March 31, 2025:

(in thousands)	
2025 - remaining	\$ 1,755
2026	584
2027	146
2028	113
2029	117
Thereafter	3,739
	<u>\$ 6,454</u>
Less current portion of notes payable	(1,755)
Long term portion	<u>\$ 4,699</u>

(9) Related Party Notes Payable

During 2022, the Members loaned \$1.9 million to the Company, at an interest rate of 3.00% per year and a maturity date of November 25, 2024. The balance at each of March 31, 2025 and December 31, 2024 was \$0, respectively.

Interest expense incurred for the related party debt line item for the three months ended March 31, 2025 and March 31, 2024, was \$0 and \$25 thousand, respectively.

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(10) Leases

At inception of a contract, the Company assesses whether a contract is a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification, measurement, and recognition are determined at lease commencement, which is the date the underlying asset is available for use by the Company. The accounting classification of a lease is based on whether the arrangement is effectively a financed purchase of the underlying asset (finance lease) or not (operating lease). The Company has operating and finance leases for its corporate office, restaurant locations, office equipment and kitchen equipment. Our leases have remaining lease terms of less than one year to up to 25 years, including options to extend many of the leases. For leases with renewal periods at the Company's option, the Company determines the expected lease period based on whether the renewal of any options are reasonably assured at the inception of the lease.

Operating leases are accounted for on the condensed consolidated balance sheets with the lease assets and liabilities recognized in "Operating lease assets," - "Operating lease liabilities, current," and "Operating lease liabilities, net of current portion".

Lease assets and liabilities are recognized at the lease commencement date. All lease liabilities are measured at the present value of the lease payments not yet paid. To determine the present value of lease payments not yet paid, we estimate incremental borrowing rates corresponding to the maturities of the leases. We estimate this rate based on prevailing financial market conditions, comparable company and credit analysis, and management judgment. Operating lease assets are initially measured based on the lease liability, adjusted for initial direct costs, prepaid or deferred rent, and lease incentives. The operating lease liabilities are subsequently measured at the carrying amount of the lease liability adjusted for initial direct costs, prepaid or accrued lease payments, and lease incentives.

The following table summarizes the operating and finance lease activities to the condensed consolidated statements of operations and balance sheets for the three months ended March 31, 2025 and March 31, 2024:

(in thousands)	Classification	Three months ended March 31,	
Operating lease cost		2025	2024
Operating lease cost	Occupancy and related expenses, and General and administrative expenses	\$ 3,385	\$ 2,760
Variable lease cost	Occupancy and related expenses, and General and administrative expenses	1,799	1,631
Total operating lease cost		\$ 5,184	\$ 4,391

Supplemental balance sheet information related to leases:

Operating leases (in thousands)	March 31, 2025	December 31, 2024
Operating lease assets	\$ 130,095	\$ 131,542
Operating lease liabilities, current	5,810	5,221
Operating lease liabilities, net of current portion	147,403	147,898
Total operating lease liabilities	\$ 153,213	\$ 153,119

Finance lease assets, net (in thousands)	March 31, 2025	December 31, 2024
Property and equipment	\$ —	\$ 447
Accumulated depreciation	—	(446)
Property and equipment, net	\$ —	\$ 1

Finance lease liabilities (in thousands)	March 31, 2025	December 31, 2024
Obligations under finance leases, current	\$ —	\$ 26
Obligations under finance leases, net of current portion	—	—
Total finance lease liabilities	\$ —	\$ 26

	March 31, 2025
Weighted-Average Remaining Lease Term (Years)	-
Operating leases	15.1
Weighted-Average Discount Rate	
Operating leases	7.04%

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Maturities of lease liabilities as of March 31, 2025:

(in thousands)	Operating Leases	
2025 - remaining	\$	11,276
2026		15,487
2027		15,803
2028		16,027
2029		16,286
Thereafter		181,922
Total undiscounted lease payments	\$	256,801
Present value discount/interest		(103,588)
Present value		153,213
Lease liabilities, current		5,810
Lease liabilities, net of current		147,403
Total operating lease liability	\$	153,213

As of March 31, 2025, the Company had additional operating leases related to new restaurants the Company has not yet taken possession of that will total \$82.9 million in future lease payment commitments. These operating leases are expected to commence later in fiscal year 2025 and have lease terms, including option periods, of 20 to 25 years.

The Company was obligated under finance leases covering certain property and equipment that expire at various dates. On March 31, 2025 and March 31, 2024 the gross amounts of property and equipment and related accumulated depreciation and amortization recorded under finance leases were as follows:

(in thousands)	March 31, 2025	—	March 31, 2024
Property and equipment	\$	—	902
Less accumulated depreciation and amortization		—	(896)
Property and equipment, net	\$	—	\$ 6

Amortization of assets held under finance leases is included with depreciation expense in the condensed consolidated statements of operations.

(11) Commitments and Contingencies

(a) Commitments

On November 23, 2016, pursuant to the U.S. government's Immigrant Investor Program, commonly known as the EB-5 program (the "EB-5 Program"), Gen Restaurant Investment, LLC entered into an operating agreement with an investor (the "EB-5 Investor"). Under the terms and conditions of the EB-5 Program, the Company is subject to certain job creation requirements.

As part of the EB-5 Program operating agreement, Gen Restaurant Investment, LLC issued three units of Series II Preferred Member Interest in exchange for a 30% interest and received \$1.5 million, recorded as equity. Five years from the date of issue, (the "Conversion Date"), or after approval of the I-829 petition to USCIS, if later, the EB-5 Investor has the option to convert the Series II Units into Series I Units. If the EB-5 Investor does not exercise the conversion option, the Company may exercise its call option to purchase the EB-5 Investor's interests at fair market value. If approval of the preferred member's I-526 immigration application is denied, the Company is required to repurchase the preferred member's units for \$1.5 million.

Accordingly, this has been presented as mezzanine equity, not permanent equity, in the accompanying condensed consolidated balance sheets.

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(b) Contingencies

The Company and its related entities are involved in various claims and legal actions arising in the ordinary course of business. The outcomes of these actions are not predictable but the Company does not believe that the ultimate resolution of these other actions will have a material adverse effect on its financial position, results of operations, liquidity, or capital resources. However, a significant increase in the number of these claims or an increase in amounts owing under successful claims, could materially and adversely affect its business, financial condition, results of operations or cash flows.

The Company is a party to several lawsuits brought in Los Angeles County, California by ex-employees alleging labor law violations. The Company plans to continue to defend against these claims and does not expect the outcome of the lawsuit to have a material impact on the financial statements of the Company.

(12) Income Taxes

As a result of the IPO and related transactions the Company owns a portion of the common units of the Operating Company, which is treated as a partnership for U.S. federal, and most applicable state and local income tax purposes. As a partnership, the Operating Company is generally not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by the Operating Company is passed through to and included in the taxable income or loss of its Members in accordance with the terms of the Operating Agreement. The Company is subject to U.S. federal, state and local income taxes based on its share of the Operating Company's pass-through taxable income.

The effective tax rate differs from the statutory tax rate primarily due to the Operating Company's pass-through structure for U.S. income tax purposes.

For the three months ended March 31, 2025, the Company did not have any unrecognized tax benefits as a result of tax positions taken during a prior period or during the current period. No interest or penalties have been recorded as a result of tax uncertainties.

For the three months ended March 31, 2025 and 2024, the Company recorded an income tax (benefit) expense of (\$152) thousand and \$71 thousand, respectively. The Company's effective income tax rate before discrete items for the three months ended March 31, 2025 and 2024 was 7.2% and 1.85%, respectively.

Tax Receivable Agreement ("TRA")

GEN Inc. entered into the TRA, with the Operating Company and each of the Members that provides for the payment by GEN Inc. to the Members of 85% of the amount of tax benefits, if any, that the Company may actually realize (or in some circumstances is deemed to realize) as a result of (i) increases in tax basis resulting from any future redemptions that are funded by GEN Inc. or exchanges of Class A Common Units described above in "Note 1—Organization and Description of Business" and (ii) certain other tax benefits attributable to payments made under the TRA.

The annual tax benefits are computed by calculating the income taxes due, including such tax benefits, and the income taxes due without such benefits. The Operating Company expects to benefit from the remaining 15% of any tax benefits that it may actually realize. The TRA payments are not conditioned upon any continued ownership interest in the Operating Company. The rights of each noncontrolling interest holder under the TRA are assignable to transferees of its interest in the Operating Company. The timing and amount of aggregate payments due under the TRA may vary based on a number of factors, including the amount and timing of the taxable income the Operating Company generates each year and the applicable tax rate.

As of March 31, 2025 and December 31, 2024, the Company had a liability related to its projected obligations under the TRA of \$956 thousand and \$691 thousand, respectively, which is reflected on the Company's condensed consolidated balance sheet in "Tax receivable agreement liability". During the three months ended March 31, 2025, GEN Inc. did not make any payments to members of the Operating Company pursuant to the TRA.

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(13) Non-Controlling Interest

As discussed in “Note 1 – Organization and Description of Business,” the Company consolidates the financial results of the Operating Company and reports a non-controlling interest related to the Class B Common Units held by non-controlling interest holders on its consolidated statements.

As of March 31, 2025, the Company owned 15.4% of the economic interests in the Operating Company, with the remaining 84.6% of the economic interest owned by non-controlling interest holders. The non-controlling interests on the accompanying condensed consolidated statements of operations represents the portion of the income attributable to the economic interests in the Operating Company held by the non-controlling holders of Class B Common Units calculated based on the weighted-average non-controlling interests’ ownership during the periods presented.

(14) Other Related-Party Transactions

For the three months ended March 31, 2024 the Company purchased approximately \$0.8 million of supplies from Pacific Global (“PGD”), which is 100% owned by Mr. Jae Chang, a member of our Board of Directors; no purchases were made during the three months ended March 31, 2025 and there were no outstanding obligations from PGD during this period.

As of March 31, 2025, GEN Mountain View, LP had a related party account payable to a company owned by Mr. David Kim, our Chief Executive Officer, for the purchase of fixed assets during 2018. The balance as of March 31, 2025 was \$47 thousand.

(15) Net Income per Share

Basic net income per share of Class A common stock is computed by dividing net income attributable to GEN Inc. by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted net income per share of Class A common stock is computed by dividing net income attributable to GEN Inc. by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive securities. Diluted net income per share for any periods for which loss per share is presented is the same as basic net income per share as the inclusion of potentially issuable shares would be antidilutive.

A calculation of the numerator and denominator used in the calculation of basic and diluted net income per share of Class A common stock is as follows:

	Three months ended March 31,	
	2025	2024
<i>(in thousands, except per share data)</i>		
Numerator:		
Net (loss) income	\$ (1,964)	\$ 3,698
Less: Net (loss) income attributable to non-controlling interest	(1,663)	3,202
Net (loss) income attributable to Class A common stockholders	\$ (301)	\$ 496
Denominator:		
Weighted-average shares of Class A common stock outstanding - basic	5,013	4,324
Weighted-average shares of Class A common stock outstanding - diluted	5,013	4,324
Net (loss) income per share of Class A common stock - basic	\$ (0.06)	\$ 0.11
Net (loss) income per share of Class A common stock - basic and diluted	\$ (0.06)	\$ 0.11

For the three months ended March 31, 2025 and March 31, 2024, 27,761,515 and 27,886,912, respectively, shares of Class B common stock was excluded from the weighted-average in the computation of diluted net income per share of Class A common stock

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because the effect would have been anti-dilutive. In addition, for the quarters ended March 31, 2025 and 2024, 340,000 and 340,000 warrants, and 928,000 and 1,209,000 restricted stock units were excluded from the calculation of weighted average shares outstanding in the calculation of diluted net income (loss) per share of Class A common stock because their effect would have been anti-dilutive.

Shares of Class B common stock do not share in the earnings or losses of GEN Inc. and are therefore not participating securities. Separate calculations of basic and diluted net income per share for Class B common stock has not been presented.

(16) Stock-Based Compensation

In connection with the IPO, the Company granted restricted stock units (“RSUs”) to certain team members that generally vest on the five year anniversary of the grant date, or over a five year period with vesting of 20% each year. The non-employee directors of the Company received RSUs that vested on the first anniversary of the grant date, subject to the grantee's continued service through the vesting period, or upon termination from the Board of Directors for any reason other than for cause, a prorated portion of the shares vest on the termination date. The total stock based compensation for the three months ended March 31, 2025 was \$734 thousand, and is included in general and administrative expenses.

RSUs	Number of RSUs (Thousands)
Non-vested as December 31, 2024	928
Granted	—
Vested	—
Canceled	—
Non-vested as of March 31, 2025	<u>928</u>

The aggregate fair value of the RSU's granted during the year ended December 31, 2023 was \$14.6 million. The unrecognized stock-based compensation of \$9.3 million as of March 31, 2025, will be recognized through July 2028. The Company issued 372,600 (or 9% of the shares of common stock sold in the offering) warrants in connection with the IPO transaction to the underwriters. The warrants expire five years after the effective date of the registration and can be exercised on a cashless basis. As a result, the conversion of some or all of the warrants may dilute the ownership interests of existing shareholders.

(17) Cash Paid for Common Stock Purchased

The Company has a stock buyback program to repurchase up to \$5.0 million worth of shares of the Company's outstanding Class A common stock. During the three months ended March 31, 2025, the Company purchased 33,388 shares of Class A common stock for a total of \$200 thousand.

The stock repurchase program does not obligate the Company to acquire any particular amount of Class A common stock, and it may be suspended or discontinued at any time.

A summary of common stock repurchases for the three months ended March 31, 2025 is as follows:

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<i>(in thousands, except share and per share data)</i>	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
January 1, 2025 to January 31, 2025	—	—	—	—
February 1, 2025 to February 28, 2025	—	—	—	—
March 1, 2025 to March 31, 2025	33,388	\$ 5.94	33,388	\$ 4,800
	<u>33,388</u>		<u>33,388</u>	

(18) Segment Information

The Company operates 49 Gen Korean BBQ restaurants in the United States. The CODM is the Chief Executive Officer. The Company determined it has one reportable segment, as the CODM regularly reviews restaurant operations and financial performance at a consolidated level. The CODM uses net income to allocate resources (including labor, technology and capital resources) for the single segment to make decisions regarding annual budget, new restaurant openings, entering new geographic market, landlord and vendor negotiation, marketing decisions, pursuing new business ventures and driving the Company's mission.

<i>(in thousands)</i>	Three months ended March 31,	
	2025	2024
Segment revenue	\$ 57,337	\$ 50,760
Less:		
Food cost	19,262	16,968
Payroll and benefits	18,189	16,152
Occupancy expenses	5,091	4,293
Operating expenses	5,926	5,098
Depreciation and amortization	2,027	1,566
Pre-opening costs	2,648	1,901
Segment Income from Operations	<u>4,194</u>	<u>4,782</u>
Reconciliation:		
General and administrative	6,370	4,674
Gain on remeasurement of previously held interest	—	(3,402)
Interest income, net	(60)	(276)
Equity in loss of equity method investee	—	17
Net (loss) income before taxes	<u>\$ (2,116)</u>	<u>\$ 3,769</u>

(19) Subsequent Events

The Company and its related parties evaluated subsequent events from the balance sheet date through May 13, 2025, the date at which the condensed consolidated financial statements were issued.

Employment Retention Credit

The Company received \$439 thousand during April 2025 from an ERC credit.

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Loan from Third Party

On April 25, 2025, the Company and a commercial bank entered into a loan agreement in the amount of \$2.0 million with a maturity date of April 25, 2027, at an interest rate of 7.50% per annum.

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

The following management’s discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and related notes of GEN Restaurant Group, Inc., included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and with the audited consolidated financial statements and related notes, which are included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “Annual Report”), filed with the Securities and Exchange Commission (the “SEC”). The terms “we”, “our”, and “us” as used herein refer to the Operating Company and its consolidated subsidiaries prior to the IPO and related transactions described in this Form 10-Q and to GEN Restaurant Group, Inc. and its consolidated subsidiaries, including the Operating Company, following the IPO and related transactions.

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. All statements other than statements of historical fact contained in this Quarterly Report, including, without limitation, statements regarding our future results of operations or financial condition, business strategy, and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “consider,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the Annual Report, and in our subsequent filings with the SEC, which are available on the SEC’s website at www.sec.gov. The forward-looking statements made in this Quarterly Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements to reflect future events or circumstances, new information, or the occurrence of unanticipated events, except as required by law.

Overview

GEN Restaurant Group is an Asian casual dining restaurant concept that offers an extensive menu of traditional Korean and Korean-American food, including high-quality meats, poultry, and seafood, all at a superior value. Founded in 2011 by two Korean immigrants, since the opening of our first restaurant in September 2011 we have grown to 49 company-owned restaurants located in California, Arizona, Hawaii, Nevada, Texas, New York, New Jersey, Oregon, Washington, Florida and North Carolina. Our restaurants have modern décor, lively Korean pop music playing in the background and embedded grills in the center of each table. We believe we offer our customers a unique dining experience in which guests cook the majority of the food themselves, reducing the need for chefs and servers and providing a similar customer experience across the restaurants.

We expect to continue growing our number of restaurants in the future. In 2022, our new restaurants generated average Payback Periods of approximately 1.9 years, which equates to an average ROI of over 50%. For the restaurants opened in 2023 and 2024, the average Payback Periods was 2.2 years, which equates to an average ROI of approximately 45%. Going forward we are targeting for our new restaurant units a Payback Period of less than 3 year, which equates to an ROI of 33% to 40%. Restaurants range in size from 4.7 thousand to 12 thousand square feet, and are typically located in high-activity commercial areas.

Business Trends

During the first quarter of 2025, we opened six restaurants in Orlando, FL, Edison, NJ, San Antonio, TX, Cary, NC and two in Austin, TX. In addition to the six restaurants opened in the first quarter of 2025, we have six restaurants under construction and expect to open a total of 12 to 13 locations in fiscal year 2025.

Recent Events Concerning Our Financial Position

On September 29, 2023, the Company entered into a \$20 million line of credit with PCB bank. The line of credit matures on September 25, 2025 and bears interest at a variable rate per annum equal to 7.75% as of March 31, 2025. No amounts have been borrowed under the line of credit as of March 31, 2025.

We assessed our long-lived assets for potential impairment each quarter with the result that no impairment charges were recorded in any of the periods presented.

Key Performance Indicators

In assessing the performance of our business, we consider a variety of financial and performance measures. The key measures for determining how our business is performing include Net Income Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Restaurant-Level Adjusted EBITDA, Restaurant-Level Adjusted EBITDA Margin, Adjusted net income, Adjusted net income (loss) attributable to Class A common stock per share (“EPS”), Average Unit Volumes, comparable restaurant sales growth, the number of restaurant openings and revenue per square foot.

Net Income Margin

Net Income Margin is net income measured under accounting principles generally accepted in the United States of America (“GAAP”) divided by revenue.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA represents net income excluding interest expense, net, income taxes, depreciation and amortization, stock-based compensation, gain on extinguishment of debt, RRF grants, employee retention credits, litigation accruals, non-cash lease expense and non-cash lease expense included in pre-opening costs. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures intended as supplemental measures of our performance and are neither required by, nor presented in accordance with, GAAP. For a discussion of why we consider these measures to be useful and their material risks and limitations, see “*Non-GAAP Financial Measures.*”

Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin

Restaurant-Level Adjusted EBITDA is Income from operations plus adjustments to add-back the following expenses: depreciation and amortization, pre-opening costs, general and administrative expenses, and non-cash lease expense. Non-cash items such as charges for asset impairments and asset disposals are not included in Restaurant-Level Adjusted EBITDA. Restaurant-Level Adjusted EBITDA Margin is the calculation of Restaurant-Level Adjusted EBITDA divided by revenue. For a discussion of why we consider these measures to be useful and their material risks and limitations, see “*Non-GAAP Financial Measures.*”

Adjusted Net Income and Adjusted EPS

Adjusted Net Income and Adjusted net income per share represents net (loss) income, adjusted for pre-opening costs, gain on remeasurement of previously held interest and stock-based compensation, and the related tax impact of the adjustments, and (benefit) provision for income taxes. “Adjusted EPS” is Adjusted Net Income, converted to a per share amount.

Average Unit Volume

“Average Unit Volume” (“AUV”) means the average annual restaurant sales for all restaurants open for a full 18 months before the end of the period measured. AUV is calculated by dividing annual revenue for the year presented for all such restaurants by the total number of restaurants in that base. This measurement allows management to assess changes in consumer spending patterns at our restaurants and the overall performance of our restaurant base.

The following table shows the AUV for the twelve months ended March 31, 2025 and March 31, 2024:

(in thousands)	Twelve months ended March 31,	
	2025	2024
Average Unit Volume	\$ 5,403	\$ 5,842

Comparable Restaurant Sales Change

Comparable restaurant sales change refers to the change in year-over-year sales for the comparable restaurant base. We include restaurants in the comparable restaurant base that have been in operation for at least 18 full months prior to the accounting period presented. Once a restaurant has been open 18 full months, it must have had continuous operations during both the current period and the prior year period being measured to remain a comparable restaurant. If operations were to be substantially impacted by unusual events that closed the location or significantly changed its capacity, that location is excluded from the comparable sales calculation until it has been operating continuously under normal conditions for both the current period and the prior year comparison period.

Since opening new restaurants is expected to be a significant component of our sales change, comparable restaurant sales change is only one measure of how we evaluate our performance.

	Three Months Ended March 31,	
	2025	2024
Comparable restaurant sales change (%)	(0.7)%*	(1.8)%
Comparable restaurant base	36	31

For the three months ended March 31, 2025, comparable restaurants sales decreased by 0.7% compared to being down 5.6% for all of 2024.

* Note: Excludes February 29, 2024. Including the additional day in February 2024, comparable restaurant sales change for the three months ended March 31, 2025 is (1.5)%.

Number of Restaurant Openings

The number of restaurant openings reflects the number of restaurants opened during a particular reporting period. Before we open new restaurants, we incur pre-opening costs. New restaurants may not be profitable, and their sales performance may not follow historical patterns. The number and timing of restaurant openings has had, and is expected to continue to have, an impact on our results of operations. The following table shows the change in our restaurant base for the three months ended March 31, 2025 and March 31, 2024:

	Three Months Ended March 31,	
	2025	2024
Restaurant activity		
Beginning of period	43	37
Openings	6	2
Closings	—	—
End of period	49	39

Revenue Per Square Foot

Revenue per square foot means the restaurant sales for all restaurants opened a full 18 months before the end of the eighteen month period measured divided by the average square footage of such restaurants. This measurement allows management to assess the effectiveness of our approach to real estate selection and the overall performance of our restaurant base. The following table shows the revenue per square foot for the twelve month periods ended March 31, 2025 and March 31, 2024 :

	For the period ending March 31,	
	2025	2024
Revenue per square foot	\$ 799	\$ 855

Components of Results of Operations

Revenues. Revenues represent sales of food and beverages in restaurants and, to a minor extent, through our online portal. Restaurant revenues in a given period are directly impacted by the number of restaurants we operate, menu pricing, the number of customers visiting and comparable restaurant sales change. Revenue also includes gift card revenue earned.

Food costs. Food costs are variable in nature, change with sales volume and are influenced by menu mix and subject to increases or decreases based upon fluctuations in commodity costs. Another important factor causing fluctuations in food costs includes restaurant management of food waste. Food costs are a substantial expense and are expected to grow proportionally as our sales grow.

Payroll and benefits. Payroll and benefits include all restaurant-level management and hourly labor costs, including wages, employee benefits and payroll taxes. Similar to the food costs that we incur, labor and related expenses at our restaurants are expected to grow proportionally as our sales grow. Factors that influence fluctuations in our labor and related expenses include the volume of sales at our restaurants, minimum wage and payroll tax legislation, payroll rate increases due to labor shortages or inflationary pressures, the frequency and severity of workers' compensation claims, and healthcare costs.

Occupancy expenses. Occupancy expenses include rent, common area maintenance and taxes for all restaurant locations, but exclude any related pre-opening costs.

Operating expenses. Operating expenses include supplies, utilities, repairs and maintenance, and other costs incurred directly at the restaurant level.

Depreciation and amortization expenses. Depreciation and amortization expenses are periodic non-cash charges at our restaurants that consist of depreciation of fixed assets, including equipment, software and capitalized leasehold improvements. Depreciation is determined using the straight-line method over the assets' estimated useful lives, ranging from five to ten years.

Pre-opening costs. Pre-opening costs include pre-opening period rent, maintenance, taxes, payroll and benefits costs, advertising and other expenses directly incurred by the new restaurant until the date of the restaurant opening. Pre-opening costs can fluctuate significantly from period to period, based on the number and timing of restaurant openings.

General and administrative expenses. General and administrative expenses include expenses associated with corporate management supervisory functions that support the operations of existing restaurants and development of new restaurants, including compensation and benefits, stock-based compensation, travel expenses, legal and professional fees, marketing costs, information systems, corporate office rent and other related corporate costs. General and administrative expenses are expected to grow as our sales grow, including incremental legal, accounting, insurance and other expenses incurred as a public company including becoming compliant with the requirements of Sarbanes-Oxley and addressing our internal control weaknesses through implementing new accounting systems and hiring additional staff.

Depreciation and amortization - corporate. These are periodic non-cash charges at the corporate level that consist of depreciation of fixed assets, including equipment, information systems software and capitalized leasehold improvements, if any. Depreciation is determined using the straight-line method over the assets' estimated useful lives, ranging from five to seven years.

Employee retention credits. Employee retention credits include refundable credits recognized under the provisions of the CARES Act and extension thereof. During the three months ended March 31, 2025 and March 31, 2024, no amounts of these credits were received and recorded, respectively.

Gain on remeasurement of previously held interest. Consists of one-time legal accruals and other miscellaneous items such as the business acquisition of GKBH (a restaurant in Hawaii) during the first quarter of 2024.

Interest income (expense), net. Interest expense includes cash and non-cash charges related to our debt outstanding and finance lease obligations. Interest income reflects income earned on deposits and notes receivable.

Equity in loss of equity method investee. Equity in loss of equity method investee reflects our 50% ownership in GKBH that was accounted for using the equity method until the date of acquisition on February 18, 2024.

(Benefit) provision for income taxes. Represents federal, state, and local current and deferred income tax (benefit)expense.

Results of Operations for the Three Months Ended March 31, 2025 and March 31, 2024

The following table presents selected comparative results of operations for the three months ended March 31, 2025 and March 31, 2024. Our financial results for these periods are not necessarily indicative of the financial results that we will achieve in future periods.

(amounts in thousands)	Three Months Ended March 31,		Increase/(decrease)	
	2025	2024	Amount	%
Revenue	\$ 57,337	\$ 50,760	\$ 6,577	13.0%
Restaurant operating expenses:				
Food cost	19,262	16,968	2,294	13.5%
Payroll and benefits	18,189	16,152	2,037	12.6%
Occupancy expenses	5,091	4,293	798	18.6%
Operating expenses	5,926	5,098	828	16.2%
Depreciation and amortization	1,993	1,537	456	29.7%
Pre-opening costs	2,648	1,901	747	39.3%
Total restaurant operating expenses	53,109	45,949	7,160	15.6%
General and administrative	6,370	4,674	1,696	36.3%
Depreciation and amortization - corporate	34	29	5	17.2%
Total costs and expenses	59,513	50,652	8,861	17.5%
(Loss) income from operations	(2,176)	108	(2,284)	(2114.8)%
Gain on remeasurement of previously held interest	—	3,402	(3,402)	(100.0)%
Interest income, net	60	276	(216)	(78.2)%
Equity in income (loss) of equity method investee	—	(17)	17	100.0%
Net (loss) income before income taxes	(2,116)	3,769	(5,885)	(156.1)%
(Benefit) provision for income taxes	(152)	71	(223)	(314.1)%
Net (loss) income	(1,964)	3,698	(5,662)	(153.1)%
Net (loss) income attributable to noncontrolling interest	(1,663)	3,202	(4,865)	(151.9)%
Net (loss) income attributable to GEN Restaurant Group, Inc.	\$ (301)	\$ 496	\$ (797)	(160.7)%

	% of Revenue	
	Three Months Ended March 31,	
	2025	2024
Revenue	100.0%	100.0%
Restaurant operating expenses:		
Food cost	33.6%	33.4%
Payroll and benefits	31.7%	31.8%
Occupancy expenses	8.9%	8.5%
Operating expenses	10.3%	10.0%
Depreciation and amortization	3.5%	3.0%
Pre-opening costs	4.6%	3.7%
Total restaurant operating expenses	92.6%	90.5%
General and administrative	11.1%	9.2%
Depreciation and amortization - corporate	0.1%	0.1%
Total costs and expenses	103.8%	99.8%
(Loss) income from operations	(3.8)%	0.2%
Gain on remeasurement of previously held interest	0.0%	6.7%
Interest income, net	0.1%	0.5%
Equity in loss of equity method investee	0.0%	(0.0)%
(Loss) income before income taxes	(3.7)%	7.4%
(Benefit) provision for income taxes	(0.3)%	0.1%
Net (loss) income	(3.4)%	7.3%
Net (loss) income attributable to noncontrolling interest	(2.9)%	6.3%
Net (loss) income attributable to GEN Restaurant Group, Inc.	(0.5)%	1.0%

Revenues. Revenues were \$57.3 million for the three months ended March 31, 2025, compared to \$50.8 million for the three months ended March 31, 2024, an increase of \$6.5 million, or 13.0%. This reflects revenue increases due to having 49 restaurants open in the three months ended March 31, 2025 compared to 39 restaurants open in the three months ended March 31, 2024.

Food costs. Food costs were \$19.3 million for the three months ended March 31, 2025, compared to \$17.0 million for the three months ended March 31, 2024, an increase of \$2.3 million, or 13.5%. The increase in food costs reflects more restaurants in operation and inflationary cost increases. As a percentage of revenue, food costs increased from 33.4% to 33.6%.

Payroll and benefits. Payroll and benefits costs were \$18.2 million for the three months ended March 31, 2025, compared to \$16.2 million for the three months ended March 31, 2024, an increase of \$2.0 million, or 12.6%. The increase in payroll and benefits costs reflects the staffing needed to support higher customer volumes from new and existing restaurants as well as inflationary payroll increases. As a percentage of revenue, payroll and benefits costs slightly decreased from 31.8% to 31.7%.

Occupancy expenses. Occupancy expenses were \$5.1 million for the three months ended March 31, 2025 compared to \$4.3 million for the three months ended March 31, 2024, an increase of \$0.8 million, or 18.6%. The increase in occupancy expenses reflects the addition of nine new locations. As a percentage of revenue, occupancy expenses were 8.9% in the three months ended March 31, 2025 compared to 8.5% in the three months ended March 31, 2024.

Operating expenses. Operating expenses were \$5.9 million for the three months ended March 31, 2025 compared to \$5.1 million for the three months ended March 31, 2024, an increase of \$0.8 million, or 16.2%, as expenses increased to support revenue growth and reflected inflationary cost increases. As a percentage of revenue, operating expenses were 10.3% in the three months ended March 31, 2025 and 10.0% in the three months ended March 31, 2024.

Depreciation and amortization expenses. Depreciation and amortization expenses were \$2.0 million for the three months ended March 31, 2025 and \$1.5 million for the three months ended March 31, 2024. As a percentage of revenue, depreciation and amortization expenses at the restaurant-level were 3.5% during the three months ended March 31, 2025 and 3.0% during the three months ended March 31, 2024, with the increase related to more stores in operation.

Pre-opening costs. Pre-opening costs were \$2.6 million for the three months ended March 31, 2025 compared to \$1.9 million for the three months ended March 31, 2024. This increase was due to opening six restaurants in the first quarter of 2025 compared to two restaurants opened in the first quarter of 2024.

General and administrative expenses. General and administrative expenses were \$6.4 million for the three months ended March 31, 2025 compared to \$4.7 million for the three months ended March 31, 2024, an increase of \$1.7 million, or 36.3%. The increase is primarily due to additional marketing and personnel costs in expansion of stores in development. As a percentage of revenue, general and administrative expenses increased from 9.2% for the three months ended March 31, 2024 to 11.1% for the three months ended March 31, 2025.

Gain on remeasurement of previously held interest. During the three months ended March 31, 2024, other gain represented the gain on the previously held equity interest. In the three months ended March 31, 2025, we did not have other gain (loss).

Interest income, net. During the three months ended March 31, 2025, interest income, net was \$60 thousand compared to \$276 thousand during the three months ended March 31, 2024. The net interest income was primarily due to the interest income earned on the proceeds from the IPO transaction.

Equity in loss of equity method investee. Equity in loss of equity method investee was \$17 thousand during the three months ended March 31, 2024. During February 2024, the remaining ownership interest in GKBH was acquired and operations were consolidated as of the date of acquisition, February 18, 2024.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA represents net income excluding interest (income) expense, income taxes, depreciation and amortization, and we also exclude non-recurring and certain other non-cash items, such as stock-based compensation expense, employee retention credits, litigation accruals, non-cash lease expense, non-cash lease expense related to pre-opening costs and gain on remeasurement of previously held interest. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. We believe that Adjusted EBITDA and Adjusted EBITDA Margin provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results, as these measures depict normal recurring cash operating expenses essential to supporting the operations of our company. We expect Adjusted EBITDA to increase with the number of new restaurants we open and with comparable restaurant sales growth.

The following table reconciles net income to Adjusted EBITDA for the three months ended March 31, 2025 and March 31, 2024.

<u>(amounts in thousands)</u>	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
EBITDA:		
Net (loss) income	\$ (1,964)	\$ 3,698
Net Income Margin	(3.4)%	7.3%
Interest income, net	(60)	(276)
(Benefit) provision for income taxes	(152)	71
Depreciation and amortization	2,027	1,566
EBITDA	\$ (149)	\$ 5,059
EBITDA Margin	(0.3)%	10.0%
Adjustments to EBITDA:		
EBITDA	\$ (149)	\$ 5,059
Stock-based compensation expense(1)	734	759
Non-cash lease expense (2)	90	184
Non-cash lease expense related to pre-opening costs (3)	574	364
Gain on remeasurement of previously held interest (4)	—	(3,402)
Adjusted EBITDA	\$ 1,249	\$ 2,964
Adjusted EBITDA Margin	2.2%	5.8%

- (1) Stock-based compensation expense: During the first quarter of 2025 and 2024 we incurred expenses related to the granting of restricted stock units to employees.
- (2) Non-cash lease expense: This reflects the extent to which lease expense is greater than or less than contractual rent paid.
- (3) Non-cash lease expense related to pre-opening costs: Cost for stores in development in which the lease expense is greater than the contractual rent paid.
- (4) Gain on remeasurement of previously held interest: One-time, non-recurring gain on the acquisition of GKBH restaurants.

Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin

We define Restaurant-Level Adjusted EBITDA as Income from operations plus adjustments to add-back the following expenses: depreciation and amortization, pre-opening costs, general and administrative expense, and non-cash lease expense. We define Restaurant-Level Adjusted EBITDA Margin as Restaurant-Level Adjusted EBITDA divided by revenue.

As with Adjusted EBITDA and Adjusted EBITDA Margin, we believe that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results, as these measures depict normal, recurring cash operating expenses essential to supporting the operations of our restaurants. We expect Restaurant-Level Adjusted EBITDA to increase in proportion to the number of new restaurants we open and with increases in comparable restaurant sales change.

However, you should be aware that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are financial measures that are not indicative of overall results for our company, and Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin do not accrue directly to the benefit of stockholders because of corporate-level and non-cash expenses excluded from such measures.

The following table reconciles Income from Operations to Restaurant-Level Adjusted EBITDA for the three months ended March 31, 2025 and March 31, 2024:

	Three Months Ended March 31,	
	2025	2024
Income (loss) from Operations	\$ (2,176)	\$ 108
Income Margin from Operations	(3.8)%	0.2%
Depreciation and amortization	2,027	1,566
Pre-opening costs	2,648	1,901
General and administrative	6,370	4,674
Non-cash lease expense	90	184
Restaurant-Level Adjusted EBITDA	\$ 8,959	\$ 8,433
<i>Restaurant-Level Adjusted EBITDA Margin</i>	15.6%	16.6%

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted net (loss) income, Adjusted net (loss) income attributable to Class A common stock per share, Restaurant-Level Adjusted EBITDA, and Restaurant-Level Adjusted EBITDA Margin are non-GAAP measures intended as supplemental measures of our performance and are neither required by, nor presented in accordance with GAAP. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted net income, Adjusted net (loss) income attributable to Class A common stock per share, Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin may not be comparable to other similarly titled measures presented by other companies, because all companies may not calculate Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted net (loss) income, Adjusted net (loss) income attributable to Class A common stock per share, Restaurant-Level Adjusted EBITDA, and Restaurant-Level Adjusted EBITDA Margin in the same fashion. These non-GAAP financial measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP.

The following table reconcile net (loss) income before taxes to Adjusted net income and Adjusted net income (loss) per share for the three months ended March 31, 2025 and 2024:

(in thousands, except per share amounts)	Three months ended March 31,	
	2025	2024
	(unaudited)	
Net (loss) income	\$ (1,964)	\$ 3,698
Pre-opening costs	2,648	1,901
Gain on remeasurement of previously held interest	—	(3,402)
Stock-based compensation	734	759
Tax impact of adjustments	(155)	(30)
Benefit (provision) for income taxes	152	(71)
Adjusted Net income	1,415	2,855
Less: Adjusted net income attributable to noncontrolling interest	1,199	2,472
Adjusted net income attributable to GEN Restaurant Group, Inc.	216	383
Adjusted Net income attributable to Class A common stock per share - basic and diluted	\$ 216	\$ 383
Weighted-average shares of Class A common stock outstanding - basic	5,013	4,324
Weighted-average shares of Class A common stock outstanding - diluted	5,013	4,324
Adjusted Net (loss) income per share of Class A common stock - basic	\$ 0.04	\$ 0.09
Adjusted Net (loss) income per share of Class A common stock - diluted	\$ 0.04	\$ 0.09

Liquidity and Capital Resources

As of March 31, 2025 we had \$15.4 million of cash and (\$13.0) million of working capital, which is calculated by subtracting current liabilities from current assets, compared with \$23.7 million in cash and (\$7.2) million of working capital as of December 31, 2024. On June 30, 2023, we completed the IPO of 4,140,000 shares of Class A common stock. The public offering prices of the shares sold in the IPO was \$12.00 per share, resulting in aggregate net proceeds to us of approximately \$46.2 million after deducting the underwriting discounts and commission and offering expenses payable by us.

Our primary uses of cash are for operational expenditures and capital investments, including new restaurants, costs incurred for restaurant remodels and restaurant equipment and fixtures. During the first quarter of 2025, we opened six new restaurants which were all self-funded. There is no guarantee that if we need to raise any additional capital that we will be able to do so.

Prior to the IPO certain companies within GEN Restaurant Group made distributions to their members, which impacted our cash position upon completion of the IPO. The operating agreements of most of the companies within GEN Restaurant Group, as separate private entities prior to the IPO and related transactions, mandate annual or quarterly distributions of available cash and/or tax distributions in an amount sufficient to allow members to pay taxes on income allocated to them. We determined the amount of these distributions based on the operating cash flow of each such entity.

We believe that cash provided by operating activities and cash on hand will be sufficient to fund our lease obligations, capital expenditures and working capital needs for the next 12 months.

Upon the IPO transaction, GEN Inc. became a holding company with no operations of its own. Accordingly, GEN Inc. will be dependent on distributions from GEN LLC to pay its taxes, its obligations under the Tax Receivable Agreement and other expenses.

In connection with the IPO and related transactions, certain members of GEN LLC received the right to receive future payments pursuant to the Tax Receivable Agreement. The amount payable under the Tax Receivable Agreement will be based on an annual calculation of the reduction in our U.S. federal, state and local taxes resulting from the utilization of certain tax benefits resulting from sales and exchanges by certain members of GEN LLC. We expect that payments that we may be required to make under the Tax Receivable Agreement may be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement, we expect that the reduction in tax payments for us associated with the federal, state and local tax benefits described above would aggregate to approximately \$117.2 million through 2037. Under such scenario we would be required to pay certain members of GEN LLC 85% of such amount, or \$99.6 million through 2037.

The actual amounts may materially differ from these hypothetical amounts as potential future reductions in tax payments for us and Tax Receivable Agreement payments by us will be calculated using prevailing tax rates applicable to us over the life of the Tax Receivable Agreement and will be dependent on us generating sufficient future taxable income to realize the benefit.

We cannot reasonably estimate future annual payments under the Tax Receivable Agreement given the difficulty in determining those estimates as they are dependent on a number of factors, including the extent of exchanges by continuing GEN LLC unitholders, the associated fair value of the underlying GEN LLC units at the time of those exchanges, the tax rates applicable, our future income, and the associated tax benefits that might be realized that would trigger a Tax Receivable Agreement payment requirement.

However, a significant portion of any potential future payments under the Tax Receivable Agreement is anticipated to be payable over 15 years, consistent with the period over which the associated tax deductions would be realized by GEN Inc., assuming GEN LLC generates sufficient income to utilize the deductions. If sufficient income is not generated by GEN LLC, the associated taxable income of GEN Inc. will be impacted and the associated tax benefits to be realized will be limited, thereby similarly reducing the associated Tax Receivable Agreement payments to be made. Given the length of time over which payments would be payable, the impact to liquidity in any single year may be greatly reduced.

Summary of Cash Flows

Our primary sources of liquidity are operating cash flows, cash on hand and debt borrowings. We use these sources to fund expenditures for new restaurant openings, reinvest in our existing restaurants, and increase our working capital. Our working capital position benefits from the fact that we generally collect cash from sales to guests the same day, or in the case of credit or debit card transactions, within several days of the related sale, and we typically have at least 30 days to pay our vendors.

The following table summarizes our cash flows for the periods presented:

(amounts in thousands)	Three months ended March 31,	
	2025	2024
Summary of Cash Flows		
Net cash provided by operating activities	\$ 2,154	\$ 3,514
Net cash used in investing activities	(6,829)	(7,076)
Net cash used in financing activities	(3,636)	(947)

Cash Provided by Operating Activities

Net cash provided by operating activities during the three months ended March 31, 2025 was \$2.1 million, the result of net loss of \$1.9 million, adjusted by non-cash charges of depreciation and amortization of \$2.0 million, amortization of operating lease assets of \$1.6 million, and stock-based compensation of \$0.7 million. The net cash outflows from changes in operating assets and liabilities were collectively a decrease of \$254 thousand.

Net cash provided by operating activities during the three months ended March 31, 2024 was \$3.5 million, the result of net income of \$3.7 million, adjusted by non-cash charges of depreciation and amortization of \$1.6 million, and amortization of operating lease assets of \$1.3 million, stock-based compensation of \$0.8 million and a reduction related to the gain on the acquisition of the remaining ownership interest in GKBH. The net cash outflows from changes in operating assets and liabilities were collectively a decrease of \$41 thousand.

Cash Used in Investing Activities

Net cash used in investing activities during the three months ended March 31, 2025 was \$6.8 million, reflecting the purchase of property and equipment.

Net cash used in investing activities during the three months ended March 31, 2024 was \$7.1 million, reflecting \$4.1 million for the purchase of property and equipment and \$3.0 million of payment for the acquisition of the remaining ownership interest in GKBH.

Cash Used in Financing Activities

Net cash used in financing activities during the three months ended March 31, 2025 was \$3.6 million, primarily due to payment of \$3.0 million on the line of credit and \$200 thousand on the repurchase of common stock.

Net cash used in financing activities during the three months ended March 31, 2024 was \$0.9 million, primarily due to payment to members for advances of \$0.9 million.

Material Cash Requirements

As of March 31, 2025, we had \$9.2 million in contractual obligations relating to debt, including EIDL loans payable. All contractual obligations are expected to be paid during the next 12 months utilizing cash and cash equivalents on hand and provided by operating activities. For operation lease obligations, See "Note 10 - Leases" in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Critical Accounting Estimates

Our discussion and analysis of operating results and financial condition are based upon our financial statements. The preparation of our financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales, expenses and related disclosures of contingent assets and liabilities. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis.

Our critical accounting estimates are those that materially affect our financial statements and involve subjective or complex judgments by management. Although these estimates are based on management's best knowledge of current events and actions that may impact us in the future, actual results may be materially different from the estimates. We believe the following critical accounting estimates are affected by significant judgments and estimates used in the preparation of our financial statements and that the judgments and estimates are reasonable.

Operating and Finance Leases

Our office leases provide for fixed minimum rent payments. Our restaurant leases provide for fixed minimum rent payments and some require additional contingent rent payments based upon sales in excess of specified thresholds. When achievement of such sales thresholds is deemed probable, contingent rent is accrued in proportion to the sales recognized in the period. For operating leases that include free-rent periods and rent escalation clauses, we recognize rent expense based on the straight-line method. For the purpose of calculating rent expenses under the straight-line method, the lease term commences on the date we obtain control of the property. Lease incentives used to fund leasehold improvements are recognized when earned and reduce the operating right-of-use asset related to the lease. These are amortized through the operating right-of-use asset as reductions of expense over the lease term. Restaurant lease expenses are included in the occupancy expenses line item, while office lease expenses are included in the general and administrative expenses line item in the accompanying condensed consolidated statements of operations.

We currently lease all of our restaurant locations, corporate office, and some of the equipment used in our restaurants. On January 1, 2022, we adopted ASU 2016-02, Leases (Topic 842), or "Topic 842," using a modified retrospective approach. See "Note 10—Leases" to the financial statements. At commencement of the lease, we determine the appropriate classification as an operating lease or a finance lease. All of our restaurant and office leases are classified as operating leases and some of our equipment leases are classified as finance leases.

Assets we acquired under finance lease arrangements are recorded at the lower of the present value of future minimum lease payments or fair value of the assets at the inception of the lease. Finance lease assets are amortized over the shorter of the useful life of the assets or the lease term, and the amortization expense is included in depreciation and amortization on the accompanying financial statements.

Impairment of Long-Lived Assets

We assess potential impairments of our long-lived assets, which includes property and equipment and operating lease right-of-use assets, in accordance with the provisions of Financial Accounting Standards Board (“FASB”), Accounting Standards Codification, (“ASC”) 360—Property, Plant and Equipment. An impairment test is performed on a quarterly basis or whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. In determining the recoverability of the asset value, an analysis is performed at the individual restaurant level. Assets are grouped at the individual restaurant-level for purposes of the impairment assessment because a restaurant represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of an asset group is measured by a comparison of the carrying amount of an asset group to its estimated forecasted restaurant cash flows expected to be generated by the asset group. Factors considered by us in estimating future cash flows include, but are not limited to: significant underperformance relative to expected historical or projected future operating results; significant changes in the manner of use of the acquired assets; and significant negative industry or economic trends. If the carrying amount of the asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

No impairment loss was recognized during any of the periods presented.

Emerging Growth Company Status

We are an “emerging growth company,” as defined in the JOBS Act, and we have taken advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies.” We may take advantage of these exemptions until we are no longer an “emerging growth company.” Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. We have elected to use the extended transition period for complying with new or revised accounting standards and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of our IPO or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if 1) we have more than \$1.235 billion in annual revenue, 2) we have more than \$700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months) or 3) we issue more than \$1.0 billion of non-convertible debt securities over a three-year period.

Recently Adopted Accounting Pronouncements

See Note 2 - Basis of Presentation and Summary of Significant Accounting Policies, for a discussion of recently adopted accounting standards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Commodity and Food Price Risks

Our profitability is dependent on, among other things, our ability to anticipate and react to changes in the costs of key operating resources, including food and beverage and other commodities. The prices of many of the ingredients we use to prepare our food, as well as construction costs, are affected by exchange rates, trade tariffs, and increases in the prices of other commodities. We have been able to partially offset cost increases that resulted from a number of factors, including market conditions, shortages or interruptions in supply due to weather or other conditions beyond our control and governmental regulations and inflation, by increasing our menu prices as well as making other operational adjustments that increase productivity. However, substantial increases in costs and expenses could impact our operating results to the extent that such increases cannot be offset by menu price increases or operational adjustments.

Inflation Risk

The primary areas where inflation impacts our operations are food, beverage, labor and energy costs. Our restaurant operations are subject to federal and state minimum wage laws and other laws governing such matters as working conditions, overtime and tip credits. Significant numbers of our restaurant personnel are paid at rates dependent on the federal and/or state minimum wage and, accordingly, increases in the minimum wage increase our labor costs. To the extent permitted by competition and the economy, we have mitigated increased costs by increasing menu prices and may continue to do so if deemed necessary in future years. Substantial increases in costs and expenses could impact our operating results to the extent such increases cannot be passed through to our guests. Historically, until the first quarter of 2025, inflation has not had a material effect on our results of operations. Severe increases in inflation, however, could affect the global and U.S. economies and could have an adverse impact on our business, financial condition or results of operations.

While we have been able to partially offset inflation and other changes in the costs of core operating resources by gradually increasing menu prices, coupled with more efficient purchasing practices, productivity improvements and greater economies of scale, there can be no assurance that we will be able to continue to do so in the future. From time to time, competitive conditions could limit our menu pricing flexibility. In addition, macroeconomic conditions could make additional menu price increases imprudent. There can be no assurance that future cost increases can be offset by increased menu prices or that increased menu prices will be fully absorbed by our guests without any resulting change to their visit frequencies or purchasing patterns. In addition, there can be no assurance that we will generate sales growth in an amount sufficient to offset inflationary or other cost pressures.

Interest Rate Risk

We are exposed to market interest rates by accessing our line of credit, which bears an interest rate at the Wall Street Journal Prime Rate plus 0.25%.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined by Rule 13a-15(e) of the Exchange Act) as of the end of period covered by this Quarterly Report on Form 10-Q.

Based on this evaluation, our management concluded that our disclosure controls and procedure were effective at the reasonable assurance level as of the end as of March 31, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to various legal proceedings and claims that arise in the ordinary course of our business. Although the outcome of these and other claims cannot be predicted with certainty, we do not believe the ultimate resolution of the current matters will have a material adverse effect on our business, financial condition, results of operations or cash flows. See “Note 11 - Commitments and Contingencies” to the financial statements in this Quarterly Report on Form 10-Q for further details.

Item 1A. Risk Factors.

There have been no material changes from the risk factors associated with our business previously disclosed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ending December 31, 2024.

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

A summary of common stock repurchases for the three months ended March 31, 2025 is as follows:

<i>(in thousands, except share and per share data)</i>	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
January 1, 2025 to January 31, 2025	—	—	—	—
February 1, 2025 to February 28, 2025	—	—	—	—
March 1, 2025 to March 31, 2025	33,388	\$ 5.94	33,388	\$ 4,800
	<u>33,388</u>		<u>33,388</u>	

⁽¹⁾ Represents the number of shares repurchased through the \$5.0 million Class A common stock repurchase program authorized by our Board of Directors and announced on March 13, 2025. During the three months ended March 31, 2025, we repurchased 33,388 shares of our Class A common stock at an aggregate cost of \$200 thousand under the repurchase program. The repurchase program has no duration and may be suspended or discontinued at any time.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

Amended and Restated Executive Employment Agreement.

We are providing the following information in lieu of reporting on a Current Report on Form 8-K under Item 5.02 “Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers” and Item 9.01 “Financial Statements and Exhibits”.

On May 12, 2025, we entered into an amended employment agreement with Mr. Kim (the “Employment Agreement”) to serve as our Chief Executive Officer for an additional five-year period, subject to subsequent one-year extensions unless either party gives written notice of non-extension at least 60 days prior to the expiration of

the then-current term. Pursuant to the Employment Agreement, Mr. Kim is entitled to an annual base salary of \$750,000 and an annual cash bonus targeted at 100% of his base salary, or at such other amount determined by the board of directors or a committee thereof. He also is eligible to receive equity incentive awards as determined by the board of directors or a committee thereof.

Upon Mr. Kim's termination by the Company without cause of his voluntary termination for good reason (a "Covered Termination") at any time other than during the period beginning three months prior to a change in control and ending six months after a change in control (the "CIC Protection Period"), Mr. Kim will receive (i) an amount equal to six months of his base salary at the time of his termination (or before any diminution that is the basis of his termination for good reason); (ii) a pro-rata portion of his annual bonus for the fiscal year in which his termination occurs based on actual achievement of the applicable bonus objectives and/or conditions determined by the board of directors or a committee thereof for such year; (iii) the amount of any annual bonus earned, but not yet paid, for the fiscal year prior to his termination; and (iv) six months of COBRA continuation coverage.

If Mr. Kim is subject to a Covered Termination during the CIC Protection Period, he will receive an additional amount equal to six months of his base salary at the time of his termination (or before any diminution that is the basis of his termination for good reason).

The Employment Agreement also includes customary confidentiality and non-competition provisions.

On May 12, 2025, we granted Mr. Kim 52,127 shares of our Class A common stock pursuant to the GEN Restaurant Group, Inc. 2023 Equity Incentive Plan and our form of Stock Bonus Award Agreement.

The foregoing descriptions of the Employment Agreement and our form of Stock Bonus Award agreement are not complete and are qualified by reference to the full text of the Employment Agreement and the form of Stock Bonus Award Agreement, copies of which are filed as Exhibits 10.1 and 10.2, respectively, and incorporated herein by reference.

Trading Arrangements

None of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the fiscal quarter ended March 31, 2025.

Item 6. Exhibits.

Furnish the exhibits required by Item 601 of Regulation S-K (§ 229.601 of this chapter).

Exhibit Number	Description
10.1*	<u>Amended and Restated Executive Employment Agreement, by and between the Company and David Kim, dated as of May 12, 2025.</u>
10.2*	<u>Form of Stock Bonus Award Agreement under the Company's 2023 Equity Incentive Plan.</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1*	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Executive Employment Agreement (the "**Agreement**") is entered into as of May 12, 2025 (the "**Effective Date**"), by and between David Kim, an individual residing in the State of California ("**Executive**"), and GEN Restaurant Group, Inc., a Delaware corporation (the "**Company**"). The Company and Executive may hereinafter each individually be referred to as a "Party" and collectively as the "Parties," as the context may require.

WHEREAS, Executive is employed by the Company pursuant to the terms of an Executive Employment Agreement entered into as of July 12, 2023 (the "**Original Employment Agreement**").

WHEREAS, the Company wishes to continue to employ Executive, and Executive wishes to accept continued employment with the Company, as the Co-Chief Executive Officer of the Company, pursuant to the terms and conditions set forth in this Agreement, effective as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the Parties as follows:

ARTICLE I DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

1.1. "**Board**" means the Board of Directors of the Company.

1.2. "**Cause**" means a good faith determination by the Board that Executive's employment be terminated, other than due to illness, injury, incapacity or Disability, for only one of the following:

(i) willful failure to comply with, breach of or continued refusal to comply with, in each case, in any material respect, the material terms of this Agreement, of any written agreement or covenant with the Company or any affiliate (including, without limitation, any employment, consulting, confidentiality, non-competition, non-solicitation, non-disparagement or similar agreement or covenant, including, without limitation, that certain Non-Competition Agreement dated August 4, 2023 (the "**Non-Competition Agreement**")); provided, however, that such willful failure to comply, breach, or continued refusal to comply shall not be deemed Cause if Executive acted in a good faith belief that he was subject to a legal or fiduciary duty warranting such conduct; (ii) material violation of any lawful policies, standards or regulations of the Company which have been furnished to Executive, including policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct, in any case, that causes material and demonstrable economic or reputational injury to the Company; (iii) conviction of or plea of no contest to a felony under the laws of the United States or any state that causes material and demonstrable economic or reputational injury to the Company; (iv) fraud, embezzlement, material dishonesty or material breach of fiduciary duty against the Company or its affiliates or material misappropriation of property belonging to the Company or its affiliates; (v) Executive's willful failure to perform Executive's material duties as specifically directed in any reasonable and lawful written directive of the Board; or (vi) willful misconduct or gross negligence in connection with the performance of Executive's duties that causes material and demonstrable economic or reputational injury to the Company, in each case, after the receipt of written notice from the Board and Executive's failure to cure within thirty (30) days of Executive's receipt of the written notice,

providing that the Company must provide Executive with at least thirty (30) days to cure and if Executive cures, Cause shall not exist; provided, further, that provided, however, that any assertion by the Company of a termination of employment for "Cause" shall not be effective unless Executive, with his counsel, has been given the opportunity to present to the Board his position on the circumstances alleged to constitute Cause, and there has been a final determination from a court of competent jurisdiction finding that Cause exists. Notwithstanding anything to the contrary provided in this Agreement, nothing contained in Section 1.2 will prevent the Executive from operating or otherwise being engaged with respect to, at any time during the Term or thereafter, the restaurants that are operated or owned by the Executive separate from the Company and listed on Schedule A attached hereto (or any additional restaurants approved by the Board), whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant or in any capacity whatsoever, and such engagement shall not be deemed "Cause" for any purpose whatsoever.

1.3. "Change in Control" shall have the meaning ascribed to that term in the GEN Restaurant Group, Inc. 2023 Equity Incentive Plan (the "**Plan**") or any successor equity compensation plan of the Company.

1.4. "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

1.5. "Code" means the Internal Revenue Code of 1986, as amended.

1.6. "Covered Termination" means (i) an Involuntary Termination Without Cause or (ii) a voluntary termination for Good Reason. For the avoidance of doubt, neither (x) the termination of Executive's employment as a result of Executive's death or Disability nor (y) the expiration of this Agreement due to non-renewal pursuant to the terms of Section 2.2 of this Agreement will be deemed to be a Covered Termination.

1.7. "Disability" means a termination of Executive's employment due to Executive's absence from Executive's duties with the Company on a full-time basis for at least 180 consecutive days as a result of Executive's incapacity due to physical or mental illness which is determined to be total and permanent by a physician selected by the Company or its insurers.

1.8. "Good Reason" means any one of the following taken without Executive's prior written consent: (i) failure or refusal by the Company to comply in any material respect with the material terms of this Agreement; (ii) a material diminution in Executive's duties, title, authority, status or responsibilities or Executive ceasing to serve as the highest-level executive employed by the Company (including, in connection with a Change in Control or other corporate transaction, Executive being assigned to any position other than, or being assigned any title, office location, authority, duties or responsibilities that are not consistent with, the position of Chief Executive Officer of the corporation or other entity surviving or resulting from such corporate transaction, including, without limitation, Executive's ceasing to be an officer of a publicly traded company or reporting to anyone other than the board of directors of such entity); (iii) a reduction in Executive's Base Salary of 5% or more (unless such reduction is part of a reduction that applies to and affects all similarly situated executive officers of the Company substantially the same and proportionately); (iv) a material diminution in Executive's annual cash bonus opportunity, unless such reduction is part of a reduction that applies to and affects all similarly situated executive

officers of the Company substantially the same and proportionately; or, (v) issuance of a notice of non-renewal of this Agreement by the Company or (vi) the Company requiring Executive to be located at any office or location more than 35 miles from the Company's current headquarters, provided that any request or directive from the Company to not work in such office pursuant to any stay-at-home or work from home or similar law, order, directive, request or recommendation from a governmental entity shall not give rise to Good Reason under this Agreement. Notwithstanding the foregoing, Executive's resignation shall not constitute a resignation for "Good Reason" as a result of any event described in the preceding sentence unless (x) Executive provides written notice thereof to the Company within thirty (30) days after Executive's knowledge of such event, (y) to the extent correctable, the Company fails to remedy such circumstance or event within thirty (30) days following the Company's receipt of such written notice and (z) the effective date of Executive's resignation for "Good Reason" is not later than ninety (90) days after the initial existence of the circumstances constituting Good Reason.

1.9. "Involuntary Termination Without Cause" means Executive's dismissal or discharge by the Company other than for Cause or by reason of Executive's death or Disability.

1.10. "Section 409A" means Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

1.11. "Separation from Service" means Executive's termination of employment constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h).

ARTICLE II EMPLOYMENT BY THE COMPANY

2.1. Position and Duties; Commencement Date, Executive employment with the Company hereunder shall be effective on the Effective Date, and from and after such date, and subject to terms and conditions set forth herein, the Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement and continuing for the period of time set forth in Section 2.2. From and after the Effective Date, Executive shall serve in an executive capacity and shall perform such duties as are customarily associated with the position of Chief Executive Officer, and such other duties as are assigned to Executive by the Board. Executive shall report directly and exclusively to the Board. During the Term, Executive shall have sole and independent control over the day-to-day business and operations of and any and all decision-making with respect to the Company and its subsidiaries, subject only to the oversight of the Board. Without limiting the foregoing, all media relations relating to the Company and its subsidiaries shall be subject to the sole and exclusive authority of Executive and Executive's delegees.

During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention (except for vacation periods and absences due to reasonable periods of illness or other incapacities permitted by the Company's general employment policies or as otherwise set forth in this Agreement) to the business of the Company.

2.2.Term. The initial term of this Agreement shall commence on the Effective Date and shall terminate on the earlier of (i) the fifth (5th) anniversary of the Effective Date and (ii) the termination of Executive's employment under this Agreement ("**Initial Term**"). On the fifth (5th) anniversary of the Effective Date and each annual anniversary of such date thereafter (in either case, provided Executive's employment has not been terminated under this Agreement prior thereto), this Agreement shall automatically be extended for one additional year unless either Executive or the Company gives written notice of non-renewal to the other at least sixty (60) days prior to the automatic extension date. The period from the Effective Date until the earlier of (i) termination of Executive's employment under this Agreement and (ii) the expiration of the term of this Agreement due to non-renewal pursuant to this Section 2.2 is referred to as the "**Term.**"

2.3.Initial Term; Employment at Will. During Initial Term, the Company shall be entitled to terminate Executive's employment only for Cause. Following the Term, the Company shall have the right to terminate Executive's employment with the Company at any time, with or without Cause, and, in the case of a termination by the Company, with or without prior notice. In addition to Executive's right to resign for Good Reason, Executive shall have the right to resign at any time and for any reason or no reason at all, upon sixty (60) days' advance written notice to the Company; provided, however, that if Executive has provided a resignation notice to the Company, the Company may determine, in its sole discretion, that such termination shall be effective on any date prior to the effective date of termination provided in such notice (and, if such earlier date is so required, then it shall not change the basis for Executive's termination of employment nor be construed or interpreted as a termination of Executive's employment by the Company) and any requirement to continue salary or benefits shall cease as of such earlier date. Upon certain terminations of Executive's employment with the Company, Executive may become eligible to receive the severance benefits provided in Article IV of this Agreement. Notwithstanding anything to the contrary provided in this Agreement, if the Company intends to exercise its right to terminate Executive's employment, for any reason or no reason, the Company shall inform Executive of such intention at least thirty (30) days prior to any notice of termination, and provide Executive with the option to resign prior to being terminated by the Company.

2.4.Deemed Resignations. Except as otherwise determined by the Board or as otherwise agreed to in writing by Executive and the Company or any of its affiliates prior to the termination of Executive's employment with the Company or any of its affiliates, any termination of Executive's employment shall constitute, as applicable, an automatic resignation of Executive: (a) as an officer of the Company and each of its affiliates; (b) from the Board; and (c) from the board of directors or board of managers (or similar governing body) of any affiliate of the Company and from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which the Company or any of its affiliates holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Executive serves as such designee or other representative of the Company or any of its affiliates. Executive agrees to take any further actions that the Company or any of its affiliates reasonably requests to effectuate or document the foregoing.

2.5. Employment Policies. The employment relationship between the Parties shall also be governed by the general employment policies and practices of the Company, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

ARTICLE III COMPENSATION

3.1. Base Salary. As of the Effective Date, and during the Term, Executive shall receive, for services to be rendered hereunder, an annualized base salary of \$750,000 (in each case, the "**Base Salary**"), payable on the regular payroll dates of the Company (but no less often than monthly), subject to increase in the sole discretion of the Board or a committee of the Board.

3.2. Annual Bonus. For each calendar year ending during the Term, Executive shall be eligible to receive an annual performance bonus (the "**Annual Bonus**") targeted at one hundred percent (100%) of Base Salary or such other amount as determined in the sole discretion of the Board or a committee of the Board (the "**Target Bonus**"), on such terms and conditions determined by the Board or a committee of the Board. The actual amount of any Annual Bonus (if any) will be determined in the discretion of the Board or a committee of the Board and will be (i) subject to achievement of any applicable bonus objectives and/or conditions determined by the Board or a committee of the Board and (ii) subject to Executive's continued employment with the Company through the date the Annual Bonus is paid (except as otherwise provided in Section 4.1). The Annual Bonus for any calendar year will be paid at the same time as bonuses for other Company executives are paid related annual bonuses generally.

3.3. Access to Company Transportation. During the Term, the Company shall make a Company car and driver available to Executive for reasonable business purposes.

3.4. Standard Company Benefits. During the Term, Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the standard Company benefits and compensation practices that may be in effect from time to time and are provided by the Company to its executive employees generally, as well as any additional benefits provided to Executive consistent with past practice. Notwithstanding the foregoing, this Section 3.4 shall not create or be deemed to create any obligation on the part of the Company to adopt or maintain any benefits or compensation practices at any time.

3.5. Paid Time Off. During the Term, Executive shall be entitled to such periods of paid time off ("**PTO**") each year as provided from time to time under the Company's PTO policies and as otherwise provided for the Company's executive officers, as it may be amended from time to time.

3.6. Equity Awards. Executive will be eligible to receive equity incentive grants as determined by the Board or a committee of the Board in its sole discretion. All equity awards granted to Executive will be subject to the terms and conditions of the Plan and the applicable award agreement approved by the Board or a committee thereof (the "**Award Agreements**"). Nothing herein shall be construed to give any Executive any rights to any amount or type of grant or award except as provided in an award agreement and authorized by the Board or a committee thereof.

3.7. Business Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; provided, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company.

In addition, during the Term, the Company shall reimburse Executive for the total cost of the use of private aircraft owned by Executive for purposes of business travel on behalf of the Company; provided that such costs are incurred and accounted for in accordance with the policies and procedures established by the Company. The Company and Executive shall modify this reimbursement arrangement in good faith if the ownership of such private aircraft transitions to the Company or the Company otherwise provides Executive access to a private aircraft for business travel during the Term. Furthermore, the Company shall provide a driver for the benefit of Executive.

ARTICLE IV SEVERANCE AND CHANGE IN CONTROL BENEFITS

4.1. Severance Benefits. Upon Executive's termination of employment for any reason, Executive shall receive any accrued but unpaid Base Salary and other accrued and unpaid compensation, including any accrued but unpaid vacation. If the termination is due to a Covered Termination, provided that Executive (A) delivers an effective general release of all claims against the Company and its affiliates in a form provided by the Company (a "**Release of Claims**") that becomes effective and irrevocable within sixty (60) days following the Covered Termination and (B) continues to comply with Articles V through VI of this Agreement, as well as the Non-Competition Agreement, Executive shall be entitled to receive the severance benefits described in Section 4.1(a) or (b), as applicable.

(a) Covered Termination Not Related to a Change in Control. If Executive's employment terminates due to a Covered Termination which occurs at any time other than during the period beginning three (3) months prior to a Change in Control and ending six (6) months after a Change in Control (the "**CIC Protection Period**"), Executive shall receive the following:

(i) An amount equal to six (6) months of Executive's Base Salary at the rate in effect (or required to be in effect before any diminution that is the basis of Executive's termination for Good Reason) at the time of Executive's termination of employment, payable in a lump sum payment, less applicable withholdings, as soon as administratively practicable following the date on which the Release of Claims becomes effective and, in any event, no later than the sixtieth (60th) day following the date of the Covered Termination; provided, however, if such sixty (60) day period falls in two different calendar years, payment will be made in the later calendar year.

(ii) Notwithstanding anything set forth in an award agreement or incentive plan to the contrary, (A) a pro-rata portion of Executive's Annual Bonus for the fiscal year in which Executive's termination occurs based on actual achievement of the applicable bonus objectives and/or conditions determined by the Board or a committee of the Board for such year (determined by multiplying the amount of the Annual Bonus that would be payable for the full fiscal year by a fraction, the numerator of which shall be equal to the number of days during the fiscal year of termination that Executive is employed by, and performing services for, the Company and the denominator of which is 365 days) and (B) the amount of any Annual Bonus earned, but not yet paid, for the fiscal year prior to Executive's termination, in each case, payable, less applicable withholdings, at the same time bonuses for such year are paid to other senior executives of the Company, but in no event later than March 15 of the year following the year of Executive's termination of employment.

(iii) Subject to Executive's timely election of continuation coverage under

COBRA, the Company shall directly pay, or reimburse Executive for the premium for Executive and Executive's covered dependents to maintain continued health coverage pursuant to the provisions of COBRA through the earlier of (A) the six (6) month anniversary of the date of Executive's termination of employment and (B) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, if the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments.

(b) Covered Termination Related to a Change in Control. If Executive's employment terminates due to a Covered Termination that occurs during the CIC Protection Period, Executive shall receive the following:

(i) An amount equal to one (1) times the sum of (i) Executive's Base Salary at the rate in effect (or required to be in effect before any diminution that is the basis of Executive's termination for Good Reason) at the time of Executive's termination of employment and (ii) Executive's Target Bonus in effect for the year in which Executive's termination of employment occurs, payable in a lump sum payment, less applicable withholdings, as soon as administratively practicable following the date on which the Release of Claims becomes effective and, in any event, no later than the sixtieth (60th) day following the date of the Covered Termination; provided, however, if such sixty (60) day period falls in two different calendar years, payment will be made in the later calendar year.

(ii) Notwithstanding anything set forth in an award agreement or incentive plan to the contrary, (A) a pro-rata portion of Executive's Annual Bonus for the fiscal year in which Executive's termination occurs based on actual achievement of the applicable bonus objectives and/or conditions determined by the Board or a committee of the Board for such year (determined by multiplying the amount of the Annual Bonus that would be payable for the full fiscal year by a fraction, the numerator of which shall be equal to the number of days during the fiscal year of termination that Executive is employed by, and performing services for, the Company and the denominator of which is 365 days) and (B) the amount of any Annual Bonus earned, but not yet paid, for the fiscal year prior to Executive's termination, in each case, payable, less applicable withholdings, at the same time bonuses for such year are paid to other senior executives of the Company, but in no event later than March 15 of the year following the year of Executive's termination of employment.

(iii) Subject to Executive's timely election of continuation coverage under COBRA, the Company shall directly pay, or reimburse Executive for the premium for Executive

and Executive's covered dependents to maintain continued health coverage pursuant to the provisions of COBRA through the earlier of (A) the six (6) month anniversary of the date of Executive's termination of employment and (B) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, if the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments.

4.2.280G Provisions. Notwithstanding anything in this Agreement to the contrary, if any payment, benefit or distribution Executive would receive pursuant to this Agreement or otherwise from the Company or any of its affiliates ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 2800 of the Code, and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding that all or some portion of the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any reasonable determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 4.2 will occur in the following order:

(1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive. Nothing in this Section 4.2 shall require the Company or any of its affiliates to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under Section 4999 of the Code.

4.3. Section 409A. Notwithstanding any provision to the contrary in this Agreement:

(a) All provisions of this Agreement are intended to comply with Section 409A of the Code, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "**Section 409A**") or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short term deferral shall be excluded from Section 409A to the maximum extent possible. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company or any of its affiliates be liable for all or any portion of any taxes,

penalties, interest or other expenses that may be incurred by Executive on account of non compliance with Section 409A.

(b) If Executive is deemed at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code which would subject Executive to a tax obligation under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six- month period measured from the date of Executive's Separation from Service or (ii) the date of Executive's death. Upon the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.3(b) shall be paid in a lump sum to Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(c) Any reimbursements payable to Executive pursuant to the Agreement shall be paid to Executive no later than 30 days after Executive provides the Company with a written request for reimbursement, and to the extent that any such reimbursements are deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A (i) such amounts shall be paid or reimbursed to Executive promptly, but in no event later than December 31 of the year following the year in which the expense is incurred, (ii) the amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and (iii) Executive's right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit; provided, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period in which the arrangement is in effect.

(d) For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive installment payments under the Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

4.4. Mitigation. Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

4.5. Equity Coordination. For the avoidance of doubt, all equity awards, including stock options, restricted stock units and other equity-based compensation granted by the Company to Executive under the Company's equity-based compensation plans, shall be subject to the terms of such plans and Executive's equity award agreements with respect thereto.

ARTICLE V
PROPRIETARY INFORMATION AND CONFIDENTIALITY OBLIGATIONS

5.1. Proprietary Information. All Company Innovations shall be the sole and exclusive property of the Company without further compensation and are "works made for hire" as that term is defined under the United States copyright laws. Executive shall promptly notify the Company of any Company Innovations that Executive solely or jointly Creates. "**Company Innovations**" means all Innovations, and any associated intellectual property rights, which Executive may solely or jointly Create, during Executive's employment with the Company, which (i) relate, at the time Created, to the Company's business or actual or demonstrably anticipated research or development, or (ii) were developed on any amount of the Company's time or with the use of any of the Company's equipment, supplies, facilities or trade secret information, or (iii) resulted from any work Executive performed for the Company. Executive is notified that Company Innovations does not include any Innovation which qualifies fully under the provisions of California Labor Code Section 2870. "**Create**" means to create, conceive, reduce to practice, derive, develop or make. "**Innovations**" means processes, machines, manufactures, compositions of matter, improvements, inventions (whether or not protectable under patent laws), works of authorship, information fixed in any tangible medium of expression (whether or not protectable under copyright laws), mask works, trademarks, trade names, trade dress, trade secrets, know-how, ideas (whether or not protectable under trade secret laws), and other subject matter protectable under patent, copyright, moral rights, mask work, trademark, trade secret or other laws regarding proprietary rights, including new or useful art, combinations, discoveries, formulae, manufacturing techniques, technical developments, discoveries, artwork, software and designs. Executive hereby assigns (and will assign) to the Company all Company Innovations. Executive shall perform (at the Company's expense), during and after Executive's employment, all acts reasonably deemed necessary or desirable by the Company to assist the Company in obtaining and enforcing the full benefits, enjoyment, rights and title throughout the world in the Company Innovations. Such acts may include execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignment of patent, copyright, mask work or other applications, (ii) in the enforcement of any applicable Proprietary Rights, and (iii) in other legal proceedings related to the Company's Innovations. "**Proprietary Rights**" means patents, copyrights, mask work, moral rights, trade secrets and other proprietary rights. No provision in this Agreement is intended to require Executive to assign or offer to assign any of Executive's rights in any invention for which Executive can establish that no trade secret information of the Company was used, and which was developed on Executive's own time, unless the invention relates to the Company's actual or demonstrably anticipated research or development, or the invention results from any work performed by Executive for the Company.

5.2. Confidentiality. In the course of Executive's employment with the Company and the performance of Executive's duties on behalf of the Company and its affiliates hereunder, Executive will be provided with, and will have access to, Confidential Information (as defined below). In consideration of Executive's receipt and access to such Confidential Information, and as a condition of Executive's employment, Executive shall comply with this Section 5.2

(a) Both during the Term and thereafter, except as expressly permitted by this Agreement, Executive shall not disclose any Confidential Information to any person or entity and shall not use any Confidential Information except for the benefit of the Company or its affiliates. Executive shall follow all Company policies and protocols regarding the security of all documents and other materials containing Confidential Information (regardless of the medium on which Confidential Information is stored). Except to the extent required for the performance of

Executive's duties on behalf of the Company or any of its affiliates, Executive shall not remove from facilities of the Company or any of its affiliates any information, property, equipment, drawings, notes, reports, manuals, invention records, computer software, customer information, or other data or materials that relate in any way to the Confidential Information, whether paper or electronic and whether produced by Executive or obtained by the Company or any of its affiliates. The covenants of this Section 5.2(a) shall apply to all Confidential Information, whether now known or later to become known to Executive during the period that Executive is employed by the Company.

(b) Notwithstanding any provision of Section 5.2(a) to the contrary, Executive may make the following disclosures and uses of Confidential Information:

(i) disclosures to other employees, officers or directors of the Company or any of its affiliates who, in the reasonable and good faith belief of Executive, have a need to know the information in connection with the businesses of the Company or any of its affiliates;

(ii) disclosures to customers, service providers, vendors and suppliers when, in the reasonable and good faith belief of Executive, such disclosure is necessary in connection with Executive's performance of Executive's duties hereunder;

(iii) disclosures and uses that are approved in writing by the Board; or

(iv) disclosures to a person or entity that has (x) been retained by the Company or any of its affiliates to provide services to the Company and/or its affiliates and (y) agreed in writing to abide by the terms of a confidentiality agreement or is otherwise under a duty to treat such information as confidential.

(c) Upon the expiration of the Term, and at any other time upon request of the Company, Executive shall promptly and permanently surrender and deliver to the Company all documents (including electronically stored information) and all copies thereof and all other materials of any nature containing or pertaining to all Confidential Information and any other Company property (including any Company-issued computer, mobile device or other equipment) in Executive's possession, custody or control and Executive shall not retain any such documents or other materials or property of the Company or any of its affiliates. Within ten (10) days of any such request, Executive shall certify to the Company in writing that all such documents, materials and property have been returned to the Company or otherwise destroyed.

(d) "**Confidential Information**" means all confidential, competitively valuable, non-public or proprietary information that is conceived, made, developed or acquired by or disclosed to Executive (whether conveyed orally or in writing), individually or in conjunction with others, during the period that Executive is employed or engaged by the Company or any of its affiliates (whether during business hours or otherwise and whether on the Company's premises or otherwise) including: (i) technical information of the Company, its affiliates, its investors, customers, vendors, suppliers or other third parties, including computer programs, software, databases, data, ideas, know-how, formulae, compositions, processes, discoveries, machines, inventions (whether patentable or not), designs, developmental or experimental work, techniques,

improvements, work in process, research or test results, original works of authorship, training programs and procedures, diagrams, charts, business and product development plans, and similar items; (ii) information relating to the Company or any of its affiliates' businesses or properties, products or services (including all such information relating to corporate opportunities, operations, future plans, methods of doing business, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or acquisition targets or their requirements, the identity of key contacts within customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks) or pursuant to which the Company or any of its affiliates owes a confidentiality obligation; and (iii) other valuable, confidential information and trade secrets of the Company, its affiliates, its customers or other third parties. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company or its other applicable affiliates and be subject to the same restrictions on disclosure applicable to all Confidential Information pursuant to this Agreement. For purposes of this Agreement, Confidential Information shall not include any information that (A) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Executive or any of Executive's agents; (B) was available to Executive on a non-confidential basis before its disclosure by the Company or any of its affiliates; (C) becomes available to Executive on a non-confidential basis from a source other than the Company or any of its affiliates; provided, however, that such source is not bound by a confidentiality agreement with, or other obligation with respect to confidentiality to, the Company or any of its affiliates; or (D) is required to be disclosed by applicable law.

(e) Notwithstanding the foregoing, nothing in this Agreement shall prohibit or restrict Executive from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental authority regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Executive from any such governmental authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any such governmental authority relating to a possible violation of law; or (iv) making any other disclosures required by law or legal process that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; (B) is made to the individual's attorney in relation to a lawsuit for retaliation against the individual for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or proceeding, if such filing is made under seal. Nothing in this Agreement requires Executive to obtain prior authorization before engaging in any conduct described in this paragraph, or to notify the Company that Executive has engaged in any such conduct.

5.3.Nondisparagement. Subject to Section 5.2(e) above, Executive agrees that from and after the Effective Date, Executive will not, directly or indirectly, make, publish, or communicate any disparaging or defamatory comments regarding the Company or any of its current or former directors, officers, members, managers, partners, or executives. The Company agrees that it will not and will counsel its senior officers and directors to not make, publish, or communicate any disparaging or defamatory comments regarding Executive. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

5.4.Remedies. Executive's and the Company's duties under this Article V shall survive termination of Executive's employment with the Company and the termination of this Agreement. Because of the difficulty of measuring economic losses to the Company and its affiliates as a result of a breach of the covenants set forth in this Article V, and because of the immediate and irreparable damage that would be caused to the Company and its affiliates for which they would have no other adequate remedy, Executive acknowledges that a remedy at law for any breach by Executive of Article V would be inadequate, and Executive therefore agrees that the Company shall be entitled to seek injunctive relief in case of any such breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall not be the Company's or any of its affiliates' exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company and each of its affiliates at law and equity.

5.5.Modification. The covenants in this Article V and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). If it is determined by an arbitrator or a court of competent jurisdiction in any state that any restriction in this Article V is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the Parties that such restriction may be modified or amended by the arbitrator or the court to render it enforceable to the maximum extent permitted by the law of that state.

ARTICLE VI OUTSIDE ACTIVITIES

6.1. Other Activities.

(a) Except as otherwise provided in Section 6.1(b), Executive shall not, during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor, unless Executive obtains the prior written consent of the Board.

(b) Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder. In addition, subject to advance approval by the Board, Executive shall be allowed to serve as a member of the board of directors of one (1) for-profit entity at any time during the term of this Agreement, so long as such service does not materially interfere with the performance of Executive's duties hereunder; provided, however, that the Board, in its discretion, may require that Executive resign from such director position if it determines that such resignation would be in the best interests of the Company.

6.2. Defense of Claims; Cooperation. During the Term and thereafter, upon reasonable request from the Company, Executive shall use commercially reasonable efforts to cooperate with the Company and its affiliates in the defense of any claims or actions that may be made by or against the Company or any of its affiliates that relate to Executive's actual or prior areas of responsibility or knowledge, at the Company sole cost and expense. Executive shall further use commercially reasonable efforts to provide reasonable and timely cooperation in connection with any actual or threatened claim, action, inquiry, review, investigation, process, or other matter (whether conducted by or before any court, arbitrator, regulatory, or governmental entity, or by or on behalf of the Company or any of its affiliates), that relates to Executive's actual or prior areas of responsibility or knowledge, at the Company sole cost and expense. Executive shall be reimbursed for any expenses associated with his compliance with this Section 6.3.

6.3. Guarantees. As soon as possible following the date hereof, the Company shall endeavor to eliminate all personal guarantees that Executive has previously provided with respect to the Company's business and operations. In addition, as soon as possible following the date hereof the Company take all actions reasonably required to remove Executive from any liquor licenses relating to the Company's business and operations.

ARTICLE VII [RESERVED]

ARTICLE VIII GENERAL PROVISIONS

8.1. Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile or electronic mail) or the tenth day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed on the Company's books and records.

8.2. Tax Withholding. Executive acknowledges that all amounts and benefits payable under this Agreement are subject to deduction and withholding to the extent required by applicable law.

8.3. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

8.4. Clawback. Amounts paid or payable under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by the Company or any of its affiliates applicable to Executive, which clawback policies or procedures may provide for forfeiture and/or recoupment of amounts paid or payable under this Agreement. Notwithstanding

any provision of this Agreement to the contrary, the Company and each of its affiliates reserves the right, without the consent of Executive, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.

8.5. Indemnification. During the Term, Executive shall be entitled to indemnification coverage (including the cost of Executive's defense) under the Company's Director & Officer liability insurance, governing documents of the Company, and applicable law. The Company shall hold harmless and indemnify Executive to the fullest extent permitted by applicable law. If the Company seeks to deprive Executive of the benefit of indemnification under such policies or entitlements, such exclusion shall not be effective unless and until Executive, with his counsel, has been given the opportunity to present to the Board his position on the circumstances alleged to constitute an exception from such coverage, and there has been a final determination from a court of competent jurisdiction finding that the applicable standards for such exception have been established.

8.6. Waiver. Any waiver of this Agreement must be executed by the Party to be bound by such waiver. If either Party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either Party hereto to take any action by reason of any breach will not deprive such Party of the right to take action at any time.

8.7. Complete Agreement; Amendments. This Agreement, along with the Non-Competition Agreement, constitutes the entire agreement between Executive and the Company and is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter, and will supersede all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the Parties with respect to the subject matter hereof. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein, and cannot be modified or amended except in a writing signed by a duly-authorized officer of the Company (other than Executive) and Executive.

8.8. Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one Party, but all of which taken together will constitute one and the same Agreement.

8.9. Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

8.10. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign Executive's rights or delegate Executive's duties or obligations hereunder without the prior written consent of the Company.

8.11. Effect of Termination. The provisions of Section 2.4 and Articles IV, V, and VIII and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Executive and the Company.

8.12. Third-Party Beneficiaries. Each affiliate of the Company that is not a signatory to this Agreement shall be a third-party beneficiary of Executive's obligations under Sections 2.4 and Articles V and VI and shall be entitled to enforce such obligations as if a party hereto.

8.13.Executive Acknowledgement. Executive acknowledges and agrees that (a) Executive was represented by counsel in connection with the negotiation of this Agreement, (b) that Executive has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on Executive's own judgment and (c) pursuant to Section 925 of the California Labor Code, (i) Executive has waived the application of California law to this Agreement and any disputes under this Agreement, (ii) Executive has waived any right to have any disputes under this Agreement adjudicated in California, and (iii) Executive acknowledges and agrees that any disputes under this Agreement shall not be deemed to be a controversy arising in California.

8.14.Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Delaware without regard to the conflicts of law provisions thereof. With respect to any claim or dispute related to or arising under this Agreement, the Parties hereby recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum, and venue of the state and federal courts (as applicable) located in Delaware.

[Signature page follows]

In Witness Whereof, the parties have executed this Agreement as of the date first written above.

GEN RESTAURANT GROUP, INC.

By: /s/Thomas V. Croal
Thomas V. Croal
Title: Chief Financial Officer

Accepted and Agreed:

/s/ David Kim
David Kim

**GEN RESTAURANT GROUP, INC.
2023 EQUITY INCENTIVE PLAN**

Stock Bonus Award Agreement

GEN Restaurant Group, Inc. (the “Company”), pursuant to its 2023 Equity Incentive Plan (the “Plan”), hereby grants an award of unrestricted Common Stock (“Stock” or “Shares”) to you, the Participant named below. The terms and conditions of this Stock Bonus Award are set forth in this Stock Bonus Award Agreement (the “Agreement”), consisting of this cover page and the Terms and Conditions on the following pages, and in the Plan document, a copy of which has been provided to you. To the extent any capitalized term used in this Agreement is not defined, it shall have the meaning assigned to it in the Plan as it currently exists or as it is amended in the future.

Name of Participant: **David Kim	
Number of Shares of Stock: **52,128	Grant Date: May 12, 2025__

IN ORDER TO RECEIVE THE BENEFITS OF THIS AGREEMENT, PARTICIPANT MUST EXECUTE AND RETURN THIS AGREEMENT (THE “ACCEPTANCE REQUIREMENTS”). IF YOU FAIL TO SATISFY THE ACCEPTANCE REQUIREMENTS WITHIN 60 DAYS AFTER THE GRANT DATE, THEN (1) THIS AGREEMENT WILL BE OF NO FORCE OR EFFECT AND THIS AWARD WILL BE AUTOMATICALLY FORFEITED TO THE COMPANY WITHOUT CONSIDERATION, AND (2) NEITHER PARTICIPANT NOR THE COMPANY WILL HAVE ANY FUTURE RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT.

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have reviewed these documents and that they set forth the entire agreement between you and the Company regarding your rights and obligations in connection with this Stock Bonus Award.

PARTICIPANT: GEN RESTAURANT GROUP, INC.

By: /s/ Thomas V. Croal
Name: Thomas V. Croal
Title: Chief Financial Officer

GEN RESTAURANT GROUP, INC.
2023 EQUITY INCENTIVE PLAN
Stock Bonus Award Agreement

Terms and Conditions

1. **Grant of Stock.** The Company hereby grants to you, as of the Grant Date specified on the cover page of this Agreement and subject to the terms and conditions in this Agreement and the Plan, an Award of the number of Shares of Stock specified on the cover page of this Agreement.
2. **Withholding Taxes.** Prior to the issuance of Shares of Stock pursuant to this Agreement, you must make arrangement satisfactory to the Company to pay or provide for any federal, state, local or foreign withholding taxes that may be due upon issuance of the Shares. Unless you otherwise provide tax payment directly to the Company, you hereby authorize the Company (or any Affiliate) to withhold from payroll or other amounts payable to you any sums required to satisfy such withholding tax obligations, and otherwise agree to satisfy such obligations in accordance with the provisions of Section 19 of the Plan. If you wish to satisfy some or all of such withholding tax obligations by delivering Shares you already own or by having the Company retain a portion of the Shares being acquired, you must make such a request which shall be subject to approval by the Company.
3. **Delivery of Stock.** Subject to Section 2, as soon as practicable after the Grant Date, the Company shall release to you the Shares of Stock, as evidenced by issuance of a stock certificate, by electronic delivery of such Shares to a brokerage account designated by you, or by an unrestricted book-entry registration of such Shares with the Company's transfer agent. The Company will defer the release to you of any and all Shares until you have made arrangements acceptable to the Company for payment of all such withholding taxes in accordance with the provisions of Section 19 of the Plan.
4. **Rights as a Stockholder.** As of the Grant Date specified on the cover page of this Agreement, you will have all of the rights of a stockholder of the Company with respect to the Shares (including voting rights and the right to receive dividends and other distributions), except as otherwise specifically provided in this Agreement.
5. **Governing Plan Document.** This Agreement and the Stock Bonus Award are subject to all the provisions of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Committee pursuant to the Plan. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern.
6. **Choice of Law.** This Agreement will be interpreted and enforced under the laws of the State of Delaware (without regard to its conflicts or choice of law principles).
7. **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.

8. **Continued Service.** This Agreement does not give you a right to continued employment or service with the Company or any Affiliate, and the Company or any such Affiliate may terminate your employment or service at any time and otherwise deal with you without regard to the effect it may have upon you under this Agreement.
9. **Electronic Delivery.** By executing this Agreement, you hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) regarding the Company and its Affiliates, the Plan, and the Shares of Stock via Company web site or other electronic delivery.

By signing the cover page of this Agreement or otherwise accepting this Award in a manner approved by the Company, you agree to all the terms and conditions contained in this Agreement and in the Plan document.

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

In connection with the Quarterly Report of GEN Restaurant Group, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 13, 2025

By: _____ /s/ Thomas V. Croal
Thomas V. Croal
Chief Financial Officer
