



**FOR IMMEDIATE RELEASE**

**KONA GRILL, INC. ANNOUNCES CHAPTER 11 FILING IN ORDER TO FACILITATE ONGOING SALE PROCESS; RESTAURANTS OPEN AND OPERATING AS USUAL**

Scottsdale, AZ – April 30, 2019 – Kona Grill, Inc. and its subsidiaries (“Kona Grill”), the operator of 27 full-service, contemporary American restaurants, today announced that it has voluntarily filed a Chapter 11 petition in the United States Bankruptcy Court for the District of Delaware. It makes this filing in order to facilitate its previously announced sale process.

Kona Grill, Inc.’s restaurants will remain open and operating as usual during the Ch. 11 process and customers can expect to continue to enjoy the global food, friendly people, and unique cultures for which the Company is known.

KeyBank National Association and Zions First National Bank (“KeyBank” and “Zions”, respectively), have agreed to provide \$6.0 million in Debtor-in-Possession financing to ensure an efficient bankruptcy and sale process.

“The support from KeyBank and Zions will help ensure that this process is seamless for our guests, employees, and vendors”, said CEO Jonathan Tibus. “We’re looking forward to completing this transaction quickly and returning Kona back to growth.”

Kona Grill has established a Restructuring Information Hotline for interested parties at 855-424-7676 (toll-free domestic) or 503-597-7718 (direct dial international). Additional information can be found on Kona Grill’s website at [www.konagrill.com](http://www.konagrill.com) . Court filings and information about the claims process can be found at a separate website maintained by the Company’s claims agent, Epiq, at <https://dm.epiq11.com/konagrill>.

Pachulski Stang Ziehl & Jones LLP is serving as the Kona’s legal advisor, Alvarez & Marsal is serving as its financial advisor, and Piper Jaffray & Co is serving as its M&A advisor.



## FREQUENTLY ASKED QUESTIONS FOR KONA GRILL, INC. SALE

### **1. What did Kona Grill, Inc. announce?**

- We announced that Kona Grill, Inc. (the “Company”) has entered into an agreement to sell substantially all of its assets to an affiliate of Z Capital Croup, LLC (the “Buyer”).
- The agreement follows a robust process in which Kona Grill, Inc. reviewed all of its strategic alternatives and determined that this agreement is the best possible outcome for the Company and its various stakeholders.
- To facilitate the sale, Kona Grill, Inc. and its subsidiaries today filed voluntary petitions for protection under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.

### **2. What does it mean to file for Chapter 11 protection?**

- A Chapter 11 reorganization is a legal process designed to help companies continue to operate while they develop plans to restructure their finances.
- Chapter 11 permits, and even encourages, daily business operations to continue as usual.
- Many companies have successfully utilized Chapter 11, including United Airlines, General Motors, Macy’s, and MGM.

### **3. What does Kona Grill, Inc. hope to accomplish through this Chapter 11 reorganization?**

- The actions we are taking are intended to facilitate the sale of Kona Grill, Inc.’s business to the Buyer.

### **4. How will the filing affect day-to-day operations at Kona Grill, Inc.?**

- The Company expects to continue operating in the ordinary course of business throughout the restructuring process.
- All but eleven of Kona Grill, Inc.’s restaurants are owned and operated by Kona Grill, Inc. and its subsidiaries through its brands “El Torito”, “El Torito Grill”, “Acapulco”, “Chevys Fresh Mex”, “Sinigual,” and “Las Brisas”.
- The eleven additional restaurants are independently owned and operated by Chevys franchisees and are not part of the Chapter 11 proceedings.