

BBQ Holdings Completes Private Investment in Public Entity Transaction

June 30, 2021

Capital Used for Acquisition of Village Inn and Bakers Square

MINNETONKA, Minn., June 29, 2021 /PRNewswire/ -- BBQ Holdings, Inc. (Nasdaq: BBQ), a multi-brand restaurant franchisor and operator, today announced the closing of its previously announced private investment in public equity (PIPE) in the Company, which was finalized in the Securities Purchase Agreement dated June 24, 2021 and announced on June 25, 2021.

BBQ Holdings received total gross proceeds of \$13 million, before deducting placement agent fees and offering expenses.

The investment was made by Nantahala Capital Management, LLC and/or its affiliates. The Company expects to use the proceeds from the offering for growth initiatives.

Craig-Hallum Capital Group, LLC served as placement agents for the financing.

LathropGPM provided legal services to the Company.

"I couldn't be more thrilled about the partnership with Nantahala Capital Management and am grateful for all of their work during this process," said Jeff Crivello, CEO of BBQ Holdings, Inc. "We look forward to a mutually successful relationship and are excited about all the opportunities this investment brings to our brands."

The securities sold in the private placement have not been registered under the Securities Act of 1933, as amended, or any state or other applicable jurisdiction's securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions' securities laws. The Company has agreed to file a registration statement with the U.S. Securities and Exchange Commission (the "SEC") registering the resale of the shares of common stock sold in the private placement and the shares of common stock issuable upon exercise of the preferred stock.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Additional details regarding the private placement are included in a Form 8-K filed with the Securities and Exchange Commission on June 25, 2021.

About BBQ Holdings

BBQ Holdings, Inc. (NASDAQ: BBQ) BBQ Holdings is a national restaurant company engaged in the ownership and operation of casual and fast dining restaurants. As of May 21, 2021, BBQ Holdings had four brands with 137 "brick and mortar" locations in 31 states and three countries, including 47 company-owned and 90 franchise-operated restaurants. In addition to these locations, the Company opened eight Company-owned Famous Dave's ghost kitchens operating within its Granite City locations, and 16 Famous Dave's franchisee ghost kitchens operating out of the kitchen of another restaurant location or a shared kitchen space. While BBQ Holdings continues to diversify its ownership in the restaurant community, it was founded with the principle of combining the "art and science" of barbecue to serve up the very best of the best to barbecue lovers everywhere. BBQ Holdings, through partnerships, has extended Travis Clark's award-winning line of barbecue sauces, rubs and seasonings into the retail market. Along with a wide variety of BBQ favorites served at their BBQ restaurants, BBQ Holdings newest addition, Granite City Food and Brewery, offers award winning craft beer and a made-from-scratch, chef driven menu featuring contemporary American cuisine.

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