

## Declaration in Support of Sale – Exhibits

Aug 2021

*Private & Confidential*



# Process Overview

B Riley Advisory commenced outreach to potential bidders on May 24, 2021.

- **654** unique parties were contacted.
- Input from the Official Committee of Unsecured Creditors and **312** parties were added to the marketing and outreach effort based on these discussions.
- All parties received an NDA, a “teaser”, and the Stalking Horse Asset Purchase Agreement.
- **11** parties returned an executed NDAs;
- **11** parties accessed the Virtual Data Room (“**VDR**”);
- **170** parties declined to participate;
- Key reasons for declinations include:
  - Not interested in the restaurant industry or the concepts are not a good fit with existing portfolio;
  - Stalking horse bid size too large relative to currently operating cash flow;
  - Size of deal too small; and
  - Geographic locations not compatible with existing portfolio.

# Potential Bidder Outreach Summary

| Category                          | Contacted  | %      | Sent Teaser | NDA        |           | Data Room Access | %      | Declined   | %      |
|-----------------------------------|------------|--------|-------------|------------|-----------|------------------|--------|------------|--------|
|                                   |            |        |             | Sent       | Executed  |                  |        |            |        |
| Active Financial Buyers           | 133        |        | 133         | 133        | 11        | 11               |        |            |        |
| Active Strategic Buyers           | 351        |        | 351         | 351        | 0         | 0                |        |            |        |
| <b>Financial Buyers Contacted</b> | <b>229</b> | 35.0%  | <b>229</b>  | <b>229</b> | <b>11</b> | <b>11</b>        | 100.0% | <b>96</b>  | 56.5%  |
| <b>Strategic Buyer Contacted</b>  | <b>425</b> | 65.0%  | <b>425</b>  | <b>425</b> | <b>0</b>  | <b>0</b>         | 0.0%   | <b>74</b>  | 43.5%  |
| <b>Total Contacted Parties</b>    | <b>654</b> | 100.0% | <b>654</b>  | <b>654</b> | <b>11</b> | <b>11</b>        | 100.0% | <b>170</b> | 100.0% |

# Key Financials: 4-wall EBITDA



HOMETOWN  
BUFFET



| TOTAL SALES                   |          |          |          |          |
|-------------------------------|----------|----------|----------|----------|
| (\$ thousands)                | 2017     | 2018     | 2019     | 2020     |
| Total Gross Sales             | \$31,438 | \$29,997 | \$29,051 | \$19,613 |
| 4-wall EBITDA                 | 3,447    | 3,400    | 2,451    | 203      |
| 4-wall EBITDAR                | 5,348    | 5,265    | 4,312    | 1,792    |
| # Locations (year end)        | 8        | 8        | 8        | 7        |
| Avg. 4-wall EBITDA/ Location  | 431      | 425      | 306      | 29       |
| Avg. 4-wall EBITDAR/ Location | 668      | 658      | 539      | 256      |

| TOTAL SALES                   |          |          |          |          |
|-------------------------------|----------|----------|----------|----------|
| (\$ thousands)                | 2017     | 2018     | 2019     | 2020     |
| Total Gross Sales             | \$60,269 | \$51,668 | \$44,750 | \$13,461 |
| 4-wall EBITDA                 | 6,276    | 4,790    | 1,823    | (4,857)  |
| 4-wall EBITDAR                | 12,406   | 10,565   | 7,246    | (1,282)  |
| # Locations (year end)        | 22       | 21       | 16       | 14       |
| Avg. 4-wall EBITDA/ Location  | 285      | 228      | 114      | -        |
| Avg. 4-wall EBITDAR/ Location | 564      | 503      | 453      | -        |

| SAME-STORE SALES              |          |          |          |          |
|-------------------------------|----------|----------|----------|----------|
| (\$ thousands)                | 2017     | 2018     | 2019     | 2020     |
| Total Gross Sales             | \$28,474 | \$24,775 | \$24,186 | \$16,129 |
| 4-wall EBITDA                 | 3,336    | 3,286    | 2,527    | 670      |
| 4-wall EBITDAR                | 5,024    | 4,771    | 4,047    | 1,932    |
| # Locations (year end)        | 6        | 6        | 6        | 6        |
| Avg. 4-wall EBITDA/ Location  | 556      | 548      | 421      | 112      |
| Avg. 4-wall EBITDAR/ Location | 837      | 795      | 674      | 322      |

| SAME-STORE SALES              |          |          |          |         |
|-------------------------------|----------|----------|----------|---------|
| (\$ thousands)                | 2017     | 2018     | 2019     | 2020    |
| Total Gross Sales             | \$26,992 | \$25,373 | \$24,742 | \$8,094 |
| 4-wall EBITDA                 | 4,768    | 4,297    | 2,859    | (2,111) |
| 4-wall EBITDAR                | 7,141    | 6,613    | 5,294    | (282)   |
| # Locations (year end)        | 8        | 8        | 8        | 8       |
| Avg. 4-wall EBITDA/ Location  | 596      | 537      | 357      | -       |
| Avg. 4-wall EBITDAR/ Location | 893      | 827      | 662      | -       |



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