



BBQ

HOLDINGS

BUILDING BETTER QUALITY

August 2021



SAFE HARBOR STATEMENT

Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States (“GAAP”), the Company uses non-GAAP measures including those indicated below. These non-GAAP measures exclude significant expenses and income that are required by GAAP to be recorded in the Company’s consolidated financial statements and are subject to inherent limitations. By providing non-GAAP measures, together with a reconciliation to the most comparable GAAP measure, the Company believes that it is enhancing investors’ understanding of the Company’s business and results of operations. These measures are not intended to be considered in isolation of, as substitutes for, or superior to, financial measures prepared and presented in accordance with GAAP. The non-GAAP measures presented may be different from the measures used by other companies. The Company urges investors to review the reconciliation of its non-GAAP measures to the most directly comparable GAAP measure, included in the accompanying financial tables.

Adjusted net income (loss) from continuing operations is net income (loss) from continuing operations, plus asset impairment, estimated lease termination and other closing costs, settlement agreements, net (loss) gain on disposal of equipment, stock-based compensation, severance, and the related tax impact. This number is divided by the weighted-average number of basic shares of common stock outstanding during each period presented to arrive at adjusted net income (loss) from continuing operations, per share. Adjusted EBITDA is net income (loss), including discontinued operations, plus asset impairment, estimated lease termination and other closing costs, settlement agreements, depreciation and amortization, interest expense, net, net (loss) gain on disposal of equipment, stock-based compensation, severance and provision (benefit) for income taxes.

Forward-Looking Statements

Statements in this press release that are not strictly historical, including but not limited to statements regarding the timing of the Company’s restaurant openings and the timing or success of refranchising plans, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, which may cause the Company’s actual results to differ materially from expected results. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectation will be attained. Factors that could cause actual results to differ materially from Famous Dave’s expectation include financial performance, restaurant industry conditions, execution of restaurant development and construction programs, franchisee performance, changes in local or national economic conditions, availability of financing, governmental approvals and other risks detailed from time to time in the Company’s SEC reports.

NEW 2021 GUIDANCE

NASDAQ: BBQ

| | | |
|---------------------------|----------------------------------|--------------------------|
| <i>Net Restaurant Rev</i> | <i>Royalty & License Rev</i> | <i>System-wide Sales</i> |
| \$183-188 MM | \$13-14 MM | \$475-480 MM |

| | |
|-----------------------|--------------------------------------|
| <i>Net Income</i> | <i>2021 Cash EBITDA ³</i> |
| \$20.6-21.0 MM | \$14.5 – 15.0 MM |

| | |
|---------------------------|----------------------------|
| <i>Cash^{1,2}</i> | <i>Long Term Bank Debt</i> |
| \$24.8 MM | \$9.3 MM |

| | | |
|----------------------------|---|----------------|
| 85 | 214 | >71% |
| Company-owned locations | Franchised restaurants in 36 states | Franchised |

*Corporate: Famous Dave's 31, Granite City's 18, Clark Crew 1,
Real Urban BBQ 2, Village Inn 21, Bakers Square 12*

NASDAQ: BBQ

~10.4 MM Shares Outstanding

¹ \$Cash balance as of 8/1/2021

² \$0.82 MM restricted cash (Source: Company 2nd Qrt. 10Q)

³ See reconciliation (page 35)

WHO WE ARE

Famous Dave understands what it's like when the odds are against you. A Native American kid at the bottom half of his high school class, he didn't have a whole lot of opportunities, but he had dreams and perseverance. His goal: create the best food America ever tasted. BBQ was a passion he caught from his dad, a Southerner working in construction. They always knew where to find the best ribs: the street-corner vendors with their 55 gallon smokers, cooking it up in the tradition of the deep South. After years of learning all he could about BBQ, he opened the first Famous Dave's in Hayward, WI in 1994, quickly gaining great popularity.

In 2020 the company began acquiring other brands in the pursuit of a diversified portfolio to display its passion for hospitality. Our focus is on evolving and elevating the guest experience, maximizing the capacity of each restaurant, and growing both organically and acquisitively.

This 50 year obsession is with one purpose: To delight Guests with the most enjoyable and authentic experience possible. With an entrepreneurial management team and vision in place, yes in the answer, what's the question?



OUR PORTFOLIO



| | FAMOUS DAVE'S | VILLAGE INN | GRANITE CITY | BAKERS SQUARE | REAL URBAN BBQ | CLARK CREW BBQ | Total |
|----------------------------|---|--------------------------------|---------------------------------------|--|------------------------------------|------------------------------------|------------|
| <i>Corporate Locations</i> | 31 | 21 | 18 | 12 | 2 | 1 | 85 |
| <i>Franchise Locations</i> | 100 | 114 | 0 | 0 | 0 | 0 | 214 |
| <i>Total Locations</i> | 131 | 135 | 18 | 12 | 2 | 1 | 299 |
| <i>Growth Plan</i> | New line serve and drive thru locations | New trendy breakfast prototype | Dual concept with new breakfast brand | Sell pies in retail, kiosk and other restaurants | New line serve locations and CPG's | New full serve locations and CPG's | |

CORPORATE RESTAURANT REVENUE

12 Months

9%
\$18,800,000



17%
\$37,600,000



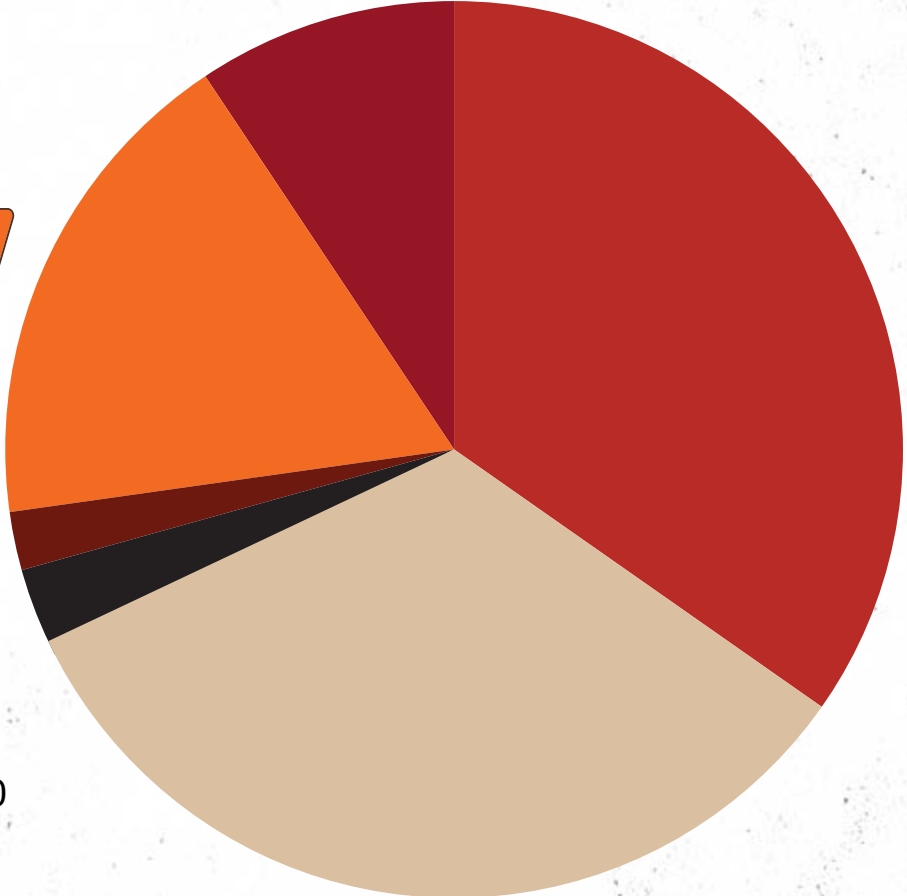
2%
\$4,000,000



3%
\$7,500,000



31%
\$68,000,000



37%
\$81,200,000

GROWTH DRIVERS



Operational Improvement

- Unified POS Roll-out
- Back of house (BOH) equipment technology non-prime cost reductions
- Menu reductions
- Continued evolution & enhancement of off-premise experience



Organic Opportunities

- Line Service Prototype
- Line Service w/ Drive Thru
- Delivery service provider (DSP) Guest Conversion to Native
- Pipeline of new franchisees
- Ghost Kitchens
- Dual Concepts



M&A

- Continue to acquire immediately accretive brands which have withstood the test of time
- Buy-in franchise units at accretive valuations
- Lease or purchase prime second gen restaurant real estate

FAMOUS DAVE'S



FAMOUS DAVE'S OVERVIEW

- 31 Corporate Stores in U.S. generating **\$81.0-\$83.0 MM** in revenue in 2021
- **100** franchise stores in U.S., Canada and UAE generating **~\$220 MM** in revenue
- Average Corporate Unit Volume (AUV): **\$2.7-\$2.8 MM**
- **Strong & Consistent Metrics**
 - Food Costs 30%
 - Labor Costs: 31%
 - Occupancy: 7%
- **Famous Dave Ghost Kitchens**
 - 8 in Granite City's
 - 17 in 3rd Party
 - 10 Additional Units expected in 2021 (10 Franchise)
- **Dual Concept**
 - Famous Dave's & Texas T-Bone Colorado Springs, CO
 - Famous Dave's & Cowboy Jacks – Woodbury, MN



ORGANIC GROWTH

Ghost/Virtual/Dual Concepts/New Franchisees

Newly signed 25 Ghost Kitchen Units

Robust Franchisee Pipeline Activity

- Increased activity due to take out success over the past 12 months
- Franchisee to build a new line service concept in Coon Rapids, MN
- Franchisee working with BBQ to open a drive thru concept in Salt Lake City, UT
- Franchisee building a line serve in Las Vegas, NV

Dual Concepts

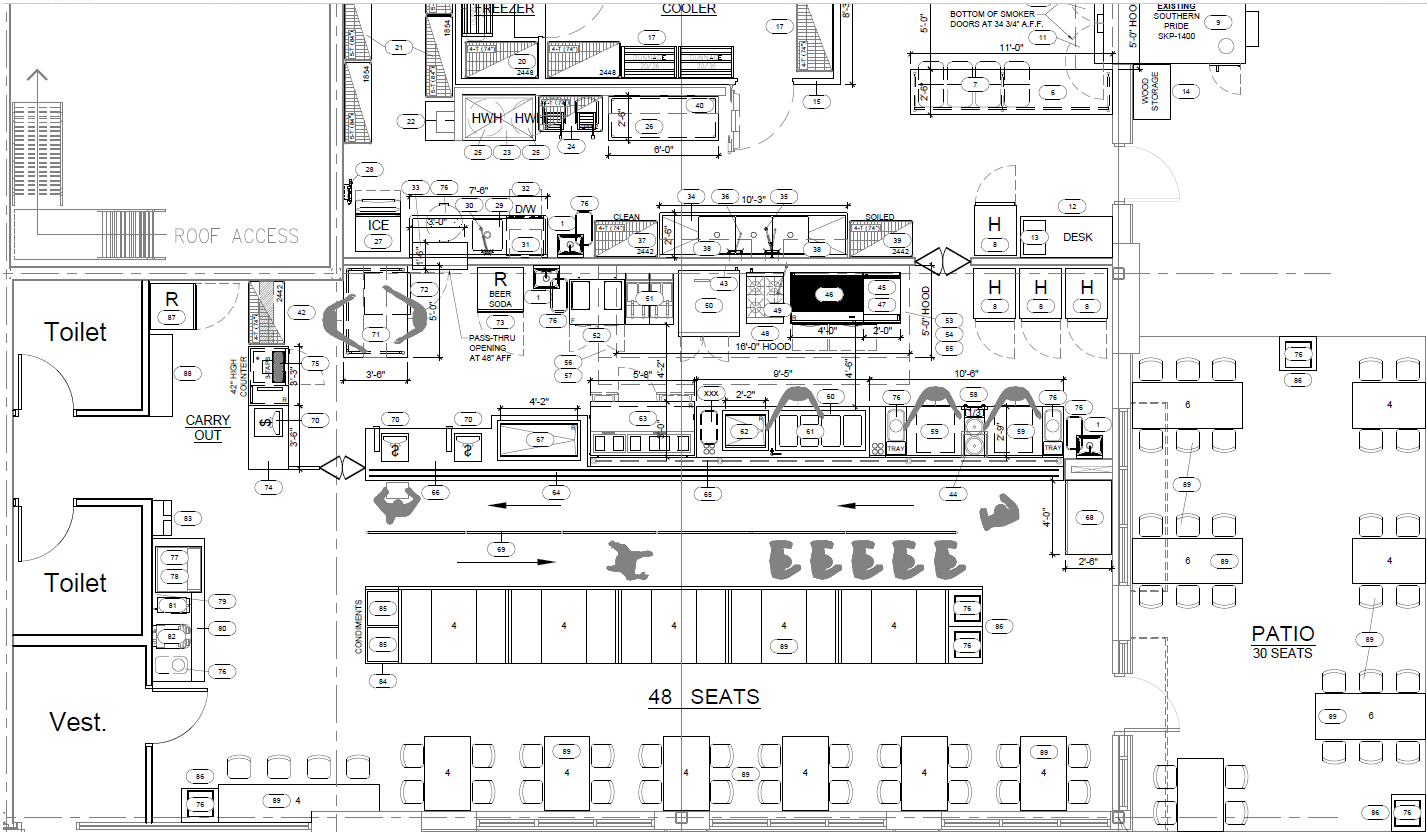
- Third party opened a Texas T-Bone Steakhouse / Famous Dave's in Colorado Springs, CO
- Famous Dave's and Cowboy Jack's in Woodbury, MN
- Multiple Dual Concept Famous Dave's / Johnny Carinos

Smoked
Here
EVERYDAY.



GROWTH: LINE SERVICE MODEL

First location opened in Las Vegas August 5th
Second location opening in Coon Rapids MN. Mid October



GROWTH: DRIVE THRU PROTOTYPE



GROWTH: DUAL CONCEPTS

Famous Dave's 6,500 sq. ft. boxes were designed to execute at a higher AUV level than its current AUV of \$2.7 MM.



Texas T-Bone

The Company is using its learnings from dual branding with Texas T-Bone in Colorado Springs, CO. Expectation is to add \$1-1.3m additional revenue with 25% flow through when a Famous Dave's is teamed up with another brand.
Potential for \$250-325k additional EBITDA per location.



Other (ie: Pizzeria or Saloon)

Dual/Virtual Concept with a known pizza brand that has simplistic operations with low up front capital investment. \$800k revenue with 25% Flow through.
Potential for \$200k additional EBITDA per location.

GROWTH: EXPANDING CPG LICENSING

CPG (Consumer Packaged Goods) – Passive Revenue

- BBQ receives a 3% licensing fee
- 2021 licensing revenue ~\$1.5 million
- Famous Dave’s has more SKU’s than any other restaurant in retail



VILLAGE INN & BAKERS SQUARE



AUTHENTIC FAMILY DINING BRANDS WITH LONG HISTORIES

Village Inn:

- Founded in Denver, Colorado in 1958
- Known for breakfast all day, especially pancakes
- Located primarily in the Rockies, the Mid West, Arizona, and Florida

Bakers Square:

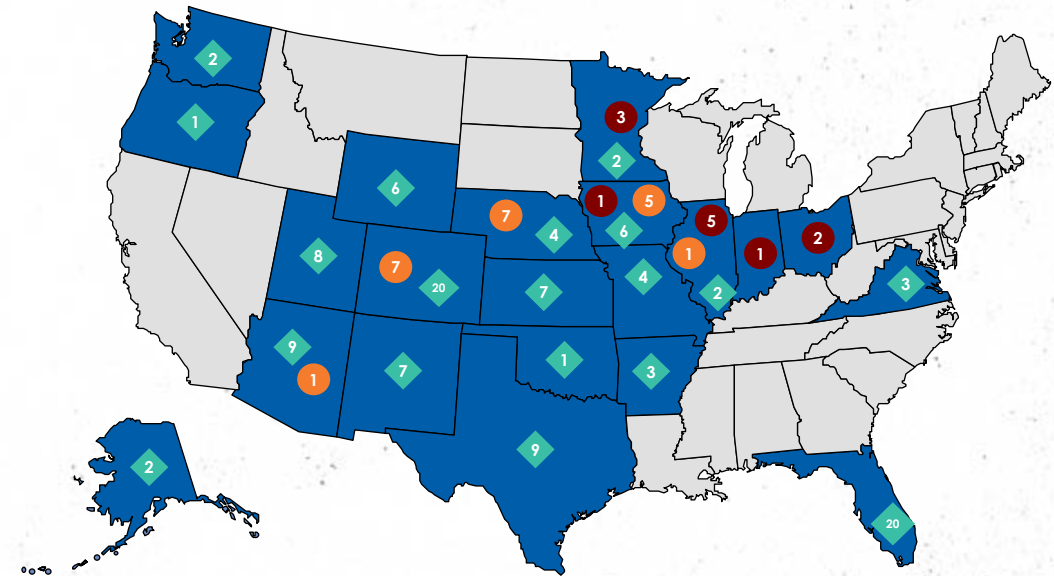
- Founded in Des Moines, Iowa in 1969
- Celebrated for soups, sandwiches, and pies
- Located in the Mid West



VILLAGE INN AND BAKERS SQUARE AT A GLANCE

| <i>Total</i> | Village Inn | bakers square |
|---|---|---|
| \$56.4M 12-month Rest. Revenue ⁽¹⁾ | \$37.6M 12-month Rest. Revenue ⁽¹⁾ | \$18.8M 12-month Rest. Revenue |
| \$4.0M 12-month Royalty Revenue | \$4.0M 12-month Royalty Revenue | \$0.0M 12-month Royalty Revenue |
| \$8.2M 12-month Operating EBITDA ⁽²⁾ | \$7.7M 12-month Operating EBITDA ⁽²⁾ | \$0.5M 12-month Operating EBITDA ⁽²⁾ |
| 148 Locations | 135 Locations | 12 Locations |
| 77.0% % Franchised | 84.0% % Franchised | 0.0% % Franchised |
| | \$1.8M 12-month AUV ⁽³⁾ | \$1.7M 12-month AUV ⁽³⁾ |
| | \$12.06 Average Check ⁽³⁾ | \$15.62 Average Check ⁽³⁾ |

- For over 60 years, Village Inn and Bakers Square have delivered award-winning pies and family favorites in a warm and friendly environment
- These venerable brands are the go-to restaurant destinations to buy whole pies during the holidays



1) Reflects company-owned store-level Net Revenue
 2) Reflects restaurant store-level EBITDA and franchise royalty revenue
 3) Reflects company-owned store locations

OUR VISION FOR VILLAGE INN AND BAKERS SQUARE GROWTH

- Bakers Square – The best pie in America can be sold in many retail locations including grocery, kiosks, and our other restaurants (Famous Dave’s, Granite City, Real Urban BBQ).
- Village Inn - Rejuvenate the brand with a new VI Café prototype and launch a new growth initiative.



HOW VILLAGE INN & BAKERS SQUARE DELIVER



Homemade



Home-style breakfast is key



Primarily pie, but the whole menu generally conveys home-style food

Variety and Customization



Breakfast items are the strongest menu segment



Across all day parts

Quality



Great breakfast and highest quality pie



Unique pies are high quality offerings

Fresh



Breakfast is largely made from scratch



Large variety of fresh baked pies

Value



Village Inn Breakfast represents greatest value for number of options and price



Affordable items



Key Business Driver



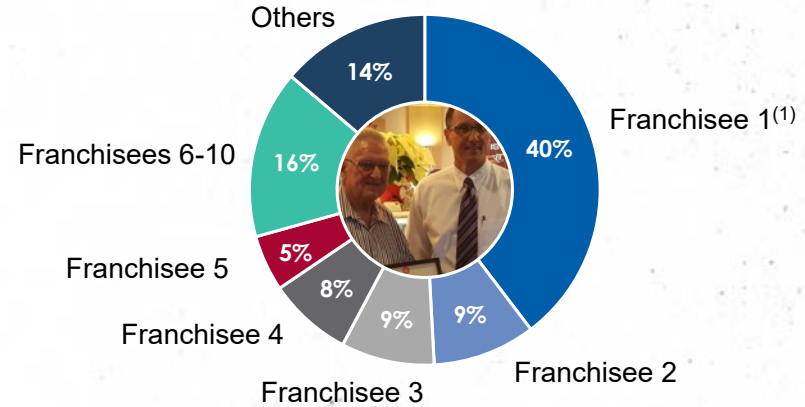
Strong Secondary Value Proposition

FRANCHISE SYSTEM & PERFORMANCE



1) Third generation franchisee

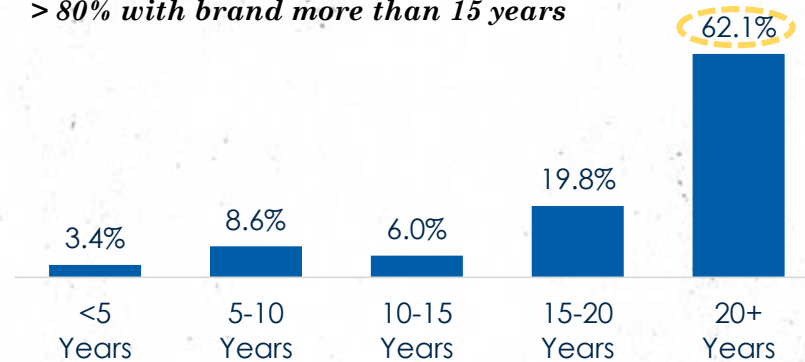
Percentage of Units Owned by Franchisees



Largest franchisee represents 29% of system sales, no other franchisee represents more than 10% of system sales

Significant Franchisee Tenure with the Brand

> 80% with brand more than 15 years



GRANITE CITY FOOD & BREWERY



GRANITE CITY OVERVIEW

- Founded in 1999
- **18 Corporate Stores in U.S. generating \$65-\$67 MM in revenue in 2021**
- Average Unit Volume (AUV): **\$3.8-\$3.9 MM**
- 2019 Corporate Store Sales of **\$75 MM**
- **25%** Liquor Mix
- **10%** of Revenue in Sunday Brunch Pre-Pandemic
- **Strong & Consistent Metrics:**
 - Food Costs 27%
 - Labor Costs: 37%
 - Occupancy: 12%



GRANITE CITY GROWTH OPPORTUNITIES

- Re-establish same store sales growth
- New Loyalty / Mobile App Program
- Beer Subscription Program
- Ghost Kitchens
- Dual Concepts
- Off-Premise Revenue growth
- Brewery 3rd Party Revenue opportunities

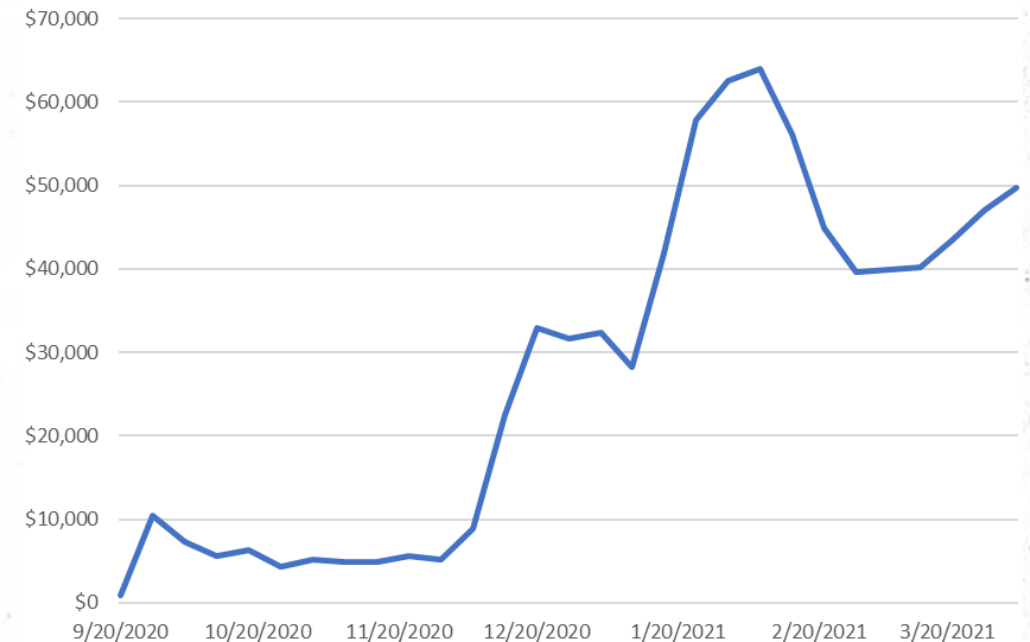


ADDING FAMOUS DAVE'S GHOST KITCHENS

Ghost Kitchen Concept

- Began adding Famous Dave's in Granite City restaurant in 2020:
 - Ghost kitchens are generating an average of \$7,000/store per week at corporate locations through this initiative
 - Currently have Ghost kitchens in 8 Granite City's
 - Menu is being offered through DSP providers and also a native in store Pick-Up experience
 - Where volume warrants, investing in separate To-Go areas to streamline operations and improve guest experience
 - Most productive locations will evolve into a dual concept

Weekly Ghost Kitchen Sales



GRANITE CITY: DUAL CONCEPTS

Similar to Famous Dave's, the GC kitchens were designed for ~\$6 MM annual volume. Pre-covid AUV was \$3.9 MM

We believe a high-end breakfast concept featuring gourmet/innovative omelet's, French toast and pancakes plus alcohol would work well within our restaurants by adding a breakfast daypart.

Operating Hours:

- Breakfast Concept: 6 am – 2 pm
- Granite City: 2 pm – 11 pm
- 10 Potential Locations

Dual Concept that has an operating structure with low up front capital investment. \$1.5MM revenue with 25% Flow through.

Potential for \$375k additional EBITDA per location.



CLARK CREW BBQ



CLARK CREW BBQ OVERVIEW

- Over 600 top 10 awards including Jack Daniels Grand Champion & National Team of the Year
- Partnered with BBQ Holdings to open first location in December 2019
- \$7.0-\$7.5 MM in revenue in 2021
- **BBQ Holdings** owns a controlling interest in restaurant, 49% of CPG's and rights to franchise



CLARK CREW BBQ ORGANIC GROWTH

CPG Business

- Currently sauces and rubs are in ~60 stores.

New Locations

- Hub & Spoke Model
- 4k sq. ft.

Catering

- High-end events
- Wide open opportunity in OKC



2012

BBQ

REAL URBAN BBQ

**REAL URBAN
BARBECUE**
AUTHENTIC WOOD FIRED



REAL URBAN BBQ OVERVIEW

- Founded in 2009 by Jeff Shapiro who is current Director of Culinary & Development for BBQ
- Acquired concept for Line Service Prototype
- \$2.0-\$2.5 MM in revenue in 2021
- **1.5 minute** ticket times
- **\$350K** CPG Revenue in 2020



REAL URBAN BBQ ORGANIC GROWTH

CPG Business

- Opportunities to increase offerings

Additional Corporate or Franchise Line

Service Units

- Proven efficiencies
 - 1-2 min Ticket Times
 - Reduced Total Labor Costs
 - Efficient and effective guest experience
 - Simplified Menu and Offerings



TARGET M&A



VISION TO BUILD A DIVERSE PORTFOLIO OF ESTABLISHED FOOD AND BEVERAGE CONCEPTS

What we look for:

- Legacy brands that have stood the test of time
- Franchise systems with growth potential
- Potential for CPG sold in retail
- Utilize expertise in digital marketing to attract new customers
- Accretive acquisitions (~3x EBITDA) that fold into our current infrastructure

Recent M&A:

- Granite City purchased in 2020 at 1.3x 2019 EBITDA (\$7MM of synergies realized)
- Real Urban purchased in 2020 at <1x realized 2020 EBITDA
- Village Inn and Bakers Square July 2021 at a proforma of ~3X EBITDA

We are currently analyzing additional opportunities.

INVESTMENT SUMMARY



Currently >67% franchised



Delivering profitable growth through operational improvement, opportunistic acquisitions, and plan to expand corporate owned and/or franchisee unit count



Huge growth potential with laser focus on growing high margin recurring royalty stream with newly developed Famous Dave's small box with best-in-class unit-level economics.

Very high flow through dual concepts.

Robust M&A pipeline.



Fully aligned, seasoned management team dedicated to creating shareholder value.

Leverage structural synergies with existing infrastructure to add new concepts driving EBITDA.



Always searching for new and economical ways for our customers to experience our food on demand.

Intuitive and industry leading Digital Marketing Team.

ADJUSTED EBITDA RECONCILIATION

BBQ Holdings, Inc. and Subsidiaries *Non-GAAP Reconciliation*

Cash EBITDA Guidance Range

| | Cash EBITDA Guidance Range | |
|--|----------------------------|----------------------|
| | FY 21 | FY 21 |
| Restaurant Revenue | \$183,000,000 | \$188,000,000 |
| <i>(dollars in thousands)</i> | | |
| Net income | \$20,592 | \$20,971 |
| Asset impairment and estimated lease termination charges and other closing costs | \$35 | \$35 |
| Depreciation and amortization | \$5,591 | \$5,684 |
| Interest expense, net | \$200 | \$204 |
| Net (gain) loss on disposal of equipment | \$124 | \$127 |
| Stock-based compensation | \$1,096 | \$1,117 |
| Acquisition costs | \$169 | \$172 |
| Pre-opening costs | \$110 | \$113 |
| Severance | \$5 | \$5 |
| Gain on bargain price | \$0 | \$0 |
| Gain Upon Debt Extinguishment | (\$14,109) | (\$14,109) |
| Provision for income taxes | \$441 | \$450 |
| Non Cash Rent | \$240 | \$245 |
| Cash EBITDA | \$14,494 | \$15,013 |



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