



CraftWorks Holdings Reaches Agreement with Senior Lender to Substantially Reduce Debt, Strengthen Liquidity, and Better Position Popular Brewery and Casual Dining Brands for Long-Term Growth

All 338 Locations Open, Continuing to Create Perfectly Crafted Dining Experiences

Senior Lender Fortress to Serve as Stalking Horse Bidder in Court-Supervised Sale Process

Company and Subsidiaries Commence Voluntary Chapter 11 Cases to Implement Sale Transaction

Franchise Locations Not Included in Proceedings and Continue to Operate as Usual

\$23 Million Commitment for DIP Financing to Support Continued Ordinary Course Operations

All Gift Cards to be Honored and All Loyalty Programs Remain in Effect

Nashville, TN, March 3, 2020 – CraftWorks Holdings, LLC (the “Company”), which operates restaurants and breweries under leading names such as Logan’s Roadhouse, Old Chicago, Rock Bottom, and Gordon Biersch, today announced an agreement that would substantially reduce the Company’s debt, strengthen liquidity, and better position the Company and its popular brands for long-term growth. The Company is serving loyal guests at its 261 locations in 39 states and the District of Columbia as usual, including honoring all gift cards and continuing to offer all loyalty programs. Its 77 franchise locations continue to operate as usual.

The agreement with affiliates of Fortress Credit Co LLC (“Fortress”), senior lenders to the Company, provides total consideration of at least \$138 million plus the assumption of certain liabilities. The transaction is expected to result in a reduction of the Company’s debt by more than \$140 million, or more than 60 percent, and additional liquidity for future investment. Today’s announcement follows the closure in recent weeks of 37 of the Company’s underperforming locations.

To implement the transaction in an efficient and expedient manner, the Company and its subsidiaries filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”). Concurrently, the Company filed a motion requesting approval of a “stalking horse” asset purchase agreement with a Fortress affiliate and to initiate a competitive bidding process under Section 363 of the Bankruptcy Code designed to achieve the highest or otherwise best value for the Company.

As part of the transaction, a Fortress affiliate has committed to provide \$23 million of new money debtor-in-possession (“DIP”) financing to the Company. Subject to Court approval, the DIP financing will provide the liquidity necessary to support ongoing operations in the ordinary course during the Chapter 11 process.

Hazem Ouf, Chief Executive Officer, commented, “Over the past 16 months, we have made significant progress on many fronts to transform our business and position our brands for long-term growth and success. Our team has enhanced the guest dining experience through the addition of new and higher-quality menu offerings and an improved guest service platform, and we have made good strides in increasing operational efficiency across

our organization. These and other efforts are translating into stronger sales trends, with our first quarter off to a solid start for all of our divisions. As a further step forward in our transformation, we exited in recent weeks a select group of our locations that were our poorest performers. We are now looking forward to completing an expedited process that we are confident puts our business on solid financial footing for the future.”

Mr. Ouf added, “Throughout the process and beyond, we will remain focused on creating perfectly crafted dining experiences at all of our breweries and restaurants. Our goal is for CraftWorks Holdings to emerge with a strengthened balance sheet and a further optimized real estate portfolio that will allow us to execute on our growth strategy, compete more effectively in the casual dining environment in areas in which we have a proven track record of success, and continue to invest in enhancing the dining experience for our millions of raving fans nationwide, whom we look forward to serving for many years to come. We greatly appreciate the commitment of our thousands of valued team members and franchise partners, who are among the best in the industry and whose passion ensures that every guest visit is a memorable one.”

The Company has filed with the Court a series of customary motions seeking to continue operating its breweries and restaurants as usual and fulfill its commitments to its valued employees, customers, and other stakeholders during the process. These “first day” motions include requests to continue to pay wages and provide benefits to employees as usual and to honor all gift cards and all loyalty programs in the ordinary course. The Company intends to continue to pay vendors in the ordinary course for all goods delivered and services rendered after the filing.

Court filings and other documents related to the Court-supervised process are available at <https://cases.primeclerk.com/CraftWorks>. Vendors with questions can call a dedicated hotline at (877) 720-6590 (toll-free).

Katten Muchin Rosenman LLP is serving as legal counsel to the Company, Configure Partners, LLC is serving as investment banker, and M-III Partners, LP is serving as financial advisor.

About CraftWorks Holdings

CraftWorks Holdings is the nation’s leading operator and franchisor of full-service dining restaurants, spanning a national footprint of more than 330 restaurants and breweries in 39 states and the District of Columbia. The Company’s diverse portfolio of restaurant brands includes Logan’s Roadhouse, Old Chicago Pizza & Taproom, and a collection of restaurant-brewery brands, including Rock Bottom Restaurant & Brewery and Gordon Biersch Brewery Restaurant. CraftWorks Holdings also operates a collection of specialty restaurant concepts including ChopHouse & Brewery, Big River Grille & Brewing Works, AIA Ale Works Restaurant & Taproom, Ragtime Tavern Seafood & Grill, Seven Bridges Grille & Brewery, and Sing Sing, a Big-Bang dueling pianos concept.

CraftWorks Holdings Contact:

Josh Kern, Chief Experience Officer
Josh.Kern@craftworksholdings.com
(720) 323-8577

Media Contact:

Kekst CNC
Sherri L. Toub / Wendi Kopsick
sherri.toub@kekstcnc.com / wendi.kopsick@kekstcnc.com