



CreditRiskMonitor’s warning of Kona Grill Inc.’s (“Kona”) bankruptcy risk was determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Kona Grill, Inc.(OTC: KONAQ) for more than a year.

The company ultimately filed for bankruptcy on April 30, 2019.

Business Name	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019
	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Kona Grill, Inc.	3	3	2	2	1	2	3	2	2	2	2	1	1

BANKRUPT!

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
	FRISK®	From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
Worst	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

*FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody's, Fitch, DBRS, & Morningstar

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL

Kona Grill, Inc.

15059 N. Scottsdale Road
Suite 300

Phone: (480) 922-8100

Scottsdale, AZ 85251-1225 United States

Ticker: **KONAQ**

Filed for Bankruptcy on 4/30/2019
Case #19-10953, filed in the U.S. Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 12/31/2018

Business Summary

Kona Grill, Inc. owns and operates 34 restaurants in 20 states throughout the United States and Puerto Rico. In addition, it has two international restaurants that operate under franchise agreements. The Company's restaurants offer freshly prepared food and an upscale contemporary ambience. Its restaurants feature contemporary American favorites, sushi and an extensive selection of alcoholic beverages. Its menu items are prepared from scratch at each restaurant location. Its diverse menu is complemented by a full-service bar offering a broad assortment of wines, craft cocktails, and beers. The Company's restaurants seat an average of 290 customers and are comprised of multiple dining areas. Its restaurants are generally located in high-activity areas such as retail centers, shopping malls, and lifestyle centers that are situated near commercial office space and residential housing to attract customers throughout the day.

(Source: 10-K)

Employees: 2,968 (as of 12/31/2018)

Incorporated: 4/10/2002

Federal Tax Id: 200216690

Credit Score History

Why are these scores different?

Auditor Information

Score/ Index	2018					2019							
	M	J	J	A	S	O	N	D	J	F	M	A	M
FRISK® Score*	3	3	2	2	1	2	3	2	2	2	2	1	1
DBT Index	9	9	9	9	8	10	9	9	9	9	9	DBT	DBT
Z"-Score	-5.43		-4.75			-5.87			<-10			Z"	Z"

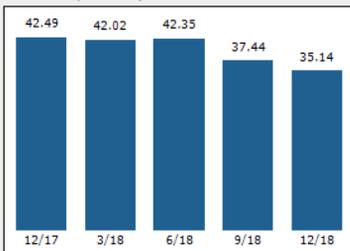
Last Audit: 12/31/2018

Auditors: Ernst & Young LLP

Opinion: **Unqualified**

*FRISK® Scores are month-end

Net Sales(millions)



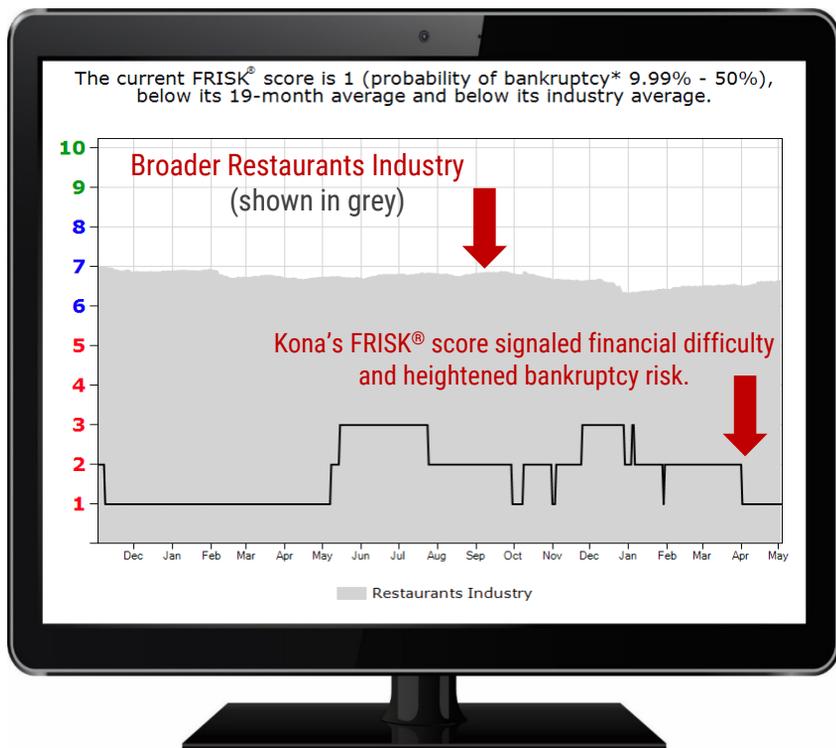
Working Capital



The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

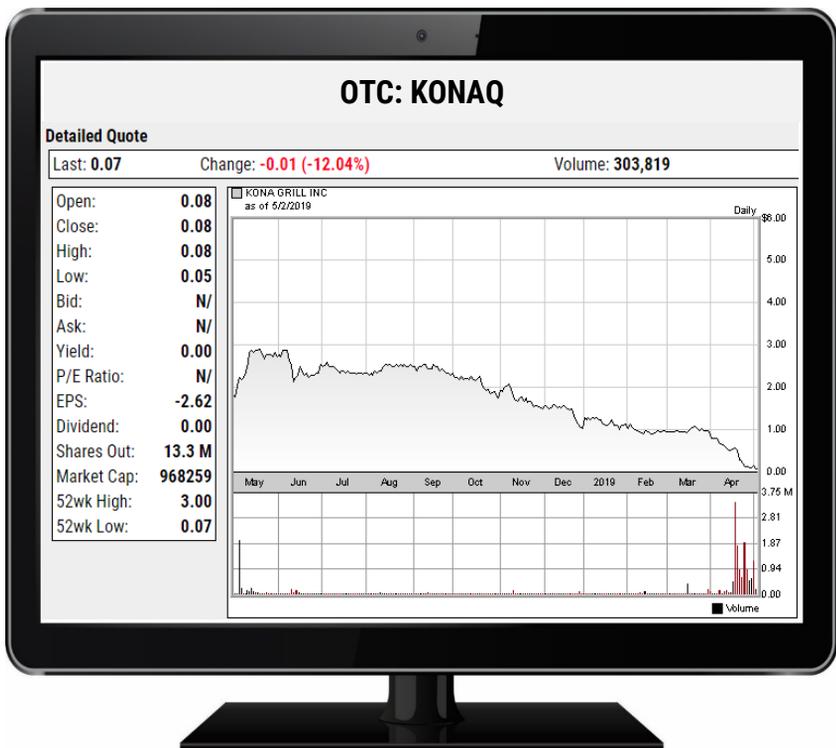
FRISK® DEEP DIVE



The FRISK® score relative to the broader Restaurants industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	FRISK® score
1	Kona Grill, Inc.	United States	1
2	Chanticleer Holdings Inc	United States	2
3	Granite City Food & Brewery Ltd	United States	2
4	Diversified Restaurant Holdings, Inc	United States	3
5	Nathan's Famous, Inc.	United States	3
6	Papa John's Int'l, Inc.	United States	3
7	Star Buffet, Inc.	United States	3
8	Carrols Restaurant Group, Inc.	United States	4
9	CEC Entertainment Inc	United States	4
10	FAT Brands Inc	United States	4

FRISK® Stress Index - SIC classification: Eating places located in the United States

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

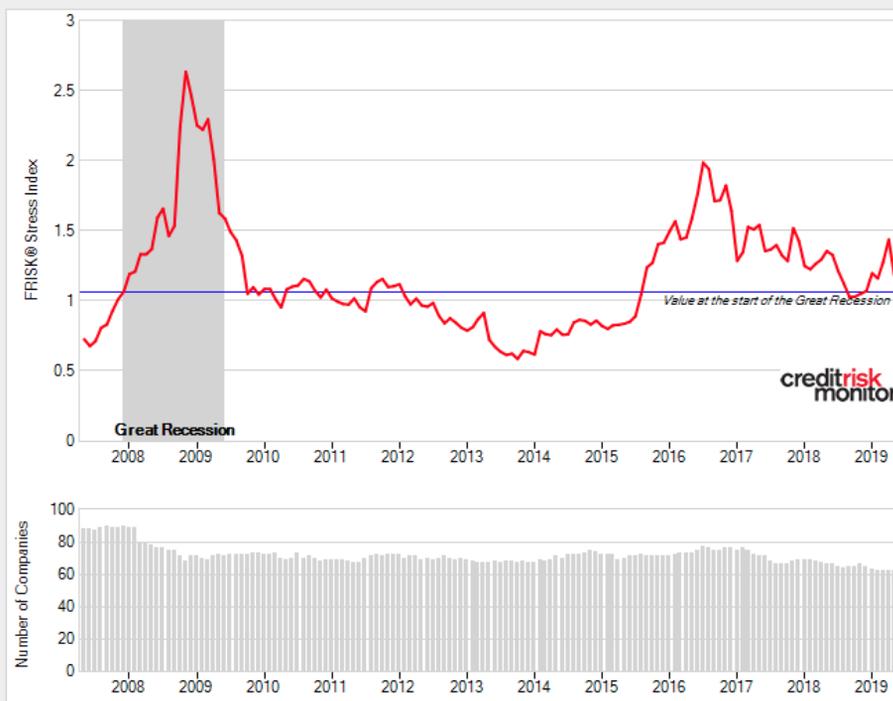
In Industry: SIC 5812: Eating places

Country: United States

UPDATE RESULTS

Scale: Auto

Total Companies in all months 148



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 5812 (Eating places) reflects an industry with average risk. Kona Grill, Inc. was among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Kona Grill, Inc. demonstrated bottom quartile ranking in key financial ratios (shown in red) vs. its industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis

Calendar Year/Quarter: 2018.4
Peer Group: SIC 5812: Eating places

REFRESH

[SIC: 5812] [Calendar Year/Quarter: 2018.4]

Businesses in Peer Group: 2607	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	801	815	-16.41	-1,101.53	2.66	65.75
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	66	94	35,144	0	135,200	138,793,000
Gross Margin % Of Sales	475	829	35.36	-173.18	40.31	100.00
Gross Margin % Of Sales -- TTM	456	836	37.45	40.53	40.36	99.92
SG&A % Of Sales	467	825	32			
SG&A % Of Sales -- TTM	491	837	33			
Operating Margin % Of Sales	809	853	-6.4			
Operating Margin % Of Sales TTM	794	858	-1.8			
EBITDA Margin Of Sales	396	422	-5.5			
EBITDA Margin Of Sales -- TTM	503	541	-1.0			
Net Profit Margin % Of Sales	809	853	-6.6			
Net Profit Margin % Of Sales - TTM	797	858	-2.0			
Pre-tax Income % Of Sales	806	853	-6.6			
Effective Tax Rate	151	832	-0.07	-8,918.75	21.29	954.60
Depreciation % Of Prop/Plant/Equipment	696	798	23.48	0.00	10.63	1,544.84
Capital Expense % Of Prop/Plant/Equipment	54	149	2.08	0.01	16.43	533.91
Interest Coverage	371	880	-31.49	-521.63	5.94	17,142.00
Interest Coverage -- TTM	473	497	-6.44	-922.46	7.96	13,587.29
Liquidity ratios:						
Cash Ratio	759	823	0.05	0.00	0.43	17.21
Quick Ratio	773	789	0.06	-1.43	0.78	18.07
Current Ratio	812	823	0.11	0.00	1.25	30.25
Efficiency ratios:						
Accounts Receivable Turnover	22	823	299.19	10.41	14.99	7,951.56
Days Sales Outstanding	62	853	1			
% of Inventory Financed by Vendors	330	684	177			
% of Inventory Financed by Vendors -- TTM	345	719	188			
Inventory Turnover	129	820	57			
Inventory Turnover TTM	124	821	58			
Days Sales in Inventory	129	801	6			
Inventory to Working Capital	748	785	-0			
Accounts Payable Turnover	49	749	10			
Accounts Payable Turnover -- TTM	37	752	37			
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	713	N/A	0.00	0.43	95.96
Debt to Tangible Equity Ratio	N/A	652	N/A	0.00	0.45	24.40
Total Debt to Assets Ratio	703	746	0.62	0.00	0.24	13.15
Short-Term Debt % of Total Debt	639	699	100.00	0.00	38.03	100.00
Short-Term Debt % of Working Capital	609	712	-72.10	-15,533.33	3.39	58,034.55
Liabilities to Net Worth Ratio	N/A	731	N/A	0.02	0.96	59.89
Total Liabilities to Equity Ratio	N/A	792	N/A	0.02	0.90	158.40
TTM EBITDA Over Total Debt	453	476	-0.49	-67.67	0.31	5,472.10
Net Debt Over TTM EBITDA	N/A	433	N/A	-26.05	1.59	245.04

Rank	Company Name
1	Hi-Lai Foods Co Ltd
2	Kimly Ltd
3	Tay Ninh Tourist - Trading JSC
4	LDG Investment JSC
5	My Humble House Hspitly Mgmt Cons Co Ltd

Rank	Company Name
1	Rosinter Restorants Holding PAO (P)
2	Restaurant Group PLC
3	Good Times Restaurants Inc.
4	El Pollo LoCo Holdings Inc
5	Fiesta Restaurant Group Inc

Green - Ranked in Upper Quartile of Peer Group
White - Ranked in the Middle Two Quartiles of Peer Group
Red - Ranked in Lower Quartile of Peer Group
Orange - Confidential
Grey - Data is Not Available

TTM = trailing 12 months
N/A = Not Available

QUARTERLY PERFORMANCE RATIOS

Operating and net losses in each of the last five fiscal quarters

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017
Net Sales \$	\$35,144	\$37,435	\$42,346	\$42,017	\$42,489
% change	-6.12%	-11.60%	0.78%	-1.11%	-4.28%
Gross Margin \$	\$12,426	\$13,908	\$16,638	\$15,810	\$15,797
% change	-10.66%	-16.41%	5.24%	0.08%	-1.32%
% of sales	35.36%	37.15%	39.29%	37.63%	37.18%
change as % of incremental sales	n/m	n/m	251.67%	n/m	n/m
SG&A \$	\$11,473	\$12,781	\$13,717	\$14,295	\$14,400
% change	-10.23%	-6.82%	-4.04%	-0.73%	-2.64%
% of sales	32.65%	34.14%	32.39%	34.02%	33.89%
change as % of incremental sales	n/m	n/m	-175.68%	n/m	n/m
Operating margin \$	(\$22,760)	(\$4,489)	(\$363)	(\$1,847)	(\$11,820)
% change	-407.02%	-1,136.64%	80.35%	84.37%	-321.84%
% of sales	-64.76%	-11.99%	-0.86%	-4.40%	-27.82%
change as % of incremental sales	n/m	n/m	451.06%	n/m	n/m
EBITDA \$	(\$19,461)	(\$1,158)	\$2,996	\$1,515	(\$7,926)
% change	-1,580.57%	-138.65%	97.76%	119.11%	-780.93%
% of sales	-55.38%	-3.09%	7.08%	3.61%	-18.65%
change as % of incremental sales	n/m	n/m	450.15%	n/m	n/m
EBIT \$	(\$22,760)	(\$4,489)	(\$363)	(\$1,847)	(\$11,820)
% change	-407.02%	-1,136.64%	80.35%	84.37%	-321.84%
% of sales	-64.76%	-11.99%	-0.86%	-4.40%	-27.82%
change as % of incremental sales	n/m	n/m	451.06%	n/m	n/m
Pre-tax income \$	(\$23,378)	(\$5,106)	(\$987)	(\$2,488)	(\$12,390)
% change	-357.85%	-417.33%	60.33%	79.92%	-275.23%
% of sales	-66.52%	-13.64%	-2.33%	-5.92%	-29.16%
change as % of incremental sales	n/m	n/m	456.23%	n/m	n/m
Net income (loss) \$	(\$23,394)	(\$5,114)	(\$1,000)	(\$2,460)	(\$12,409)
% change	-357.45%	-411.40%	59.35%	80.18%	-273.43%
% of sales	-66.57%	-13.66%	-2.36%	-5.85%	-29.21%
change as % of incremental sales	n/m	n/m	443.77%	n/m	n/m
Tax expense \$	\$16	\$8	\$13	(\$28)	\$923
Effective tax rate	-0.07%	-0.16%	-1.32%	-0.67%	2.10%
Depreciation expense \$	\$3,455	\$3,421	\$3,359	\$3,359	\$3,359
% of sales	9.83%	9.14%	7.93%	7.99%	7.91%
% of capital expenses	1,129.09%	519.12%	938.27%	938.27%	938.27%
% of PP&E, net (annualized)	23.48%	18.74%	17.47%	17.47%	17.47%
Capital expenditures \$	\$306	\$659	\$358	\$358	\$358
% change	-53.57%	84.08%	-5.04%	-5.04%	-5.04%
% of PP&E, net (annualized)	2.08%	3.61%	1.86%	1.86%	1.86%
% of working capital (annualized)	-4.56%	-43.49%	-18.39%	-18.39%	-18.39%
Interest coverage ratio	(31.49)	(1.88)	4.80	2.50	(1.91)
% change	-1,577.87%	-139.09%	103.14%	117.00%	-697.31%
Free cash flow \$	(\$1,066)	(\$1,309)	(\$34)	(\$919)	\$1,653
% change	18.56%	-3,750.00%	96.30%	-155.60%	1,152.27%
Source:	10-K 4/16/2019	10-Q 11/8/2018	10-Q 8/9/2018	10-Q 5/10/2018	10-K 3/22/2018

Negative free cash flow in four of the last five fiscal quarters.

QUARTERLY LEVERAGE RATIOS

Total debt to assets ratio increased significantly, indicating heightened risk

Negative tangible net worth suggested that the company had exhausted all of its loanable collateral

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Total debt \$	\$33,115	\$33,371	\$33,532	\$37,444	\$37,700
% change	-0.77%	-0.48%	-10.45%	-0.68%	-0.47%
Stockholders' equity \$	(\$20,436)	\$2,846	\$7,850	\$3,167	\$5,663
% change	-818.06%	-63.75%	147.87%	-44.08%	-68.50%
Total debt to equity ratio	n/a	11.73	4.27	11.82	6.66
% change	n/a	174.50%	-63.87%	77.60%	215.99%
Tangible net worth \$	(\$20,436)	\$2,846	\$7,850	\$3,167	\$5,663
% change	-818.06%	-63.75%	147.87%	-44.08%	-68.50%
Total debt to tangible net worth	n/a	11.73	4.27	11.82	6.66
% change	n/a	174.50%	-63.87%	77.60%	215.99%
Total assets \$	\$53,613	\$78,590	\$85,025	\$87,011	\$91,799
% change	-31.78%	-7.57%	-2.28%	-5.22%	-11.39%
Total debt to assets ratio	0.62	0.42	0.39	0.43	0.41
% change	45.48%	7.66%	-8.34%	4.77%	12.34%
Tangible assets \$	\$53,613	\$78,590	\$85,025	\$87,011	\$91,799
% change	-31.78%	-7.57%	-2.28%	-5.22%	-11.39%
Short-term debt \$	\$33,115	\$1,022	\$928	\$4,584	\$779
% change	3,140.22%	10.13%	-79.76%	488.45%	13.06%
Short-term debt % of total debt	100.00%	3.06%	2.77%	12.24%	2.07%
% change	3,165.31%	10.66%	-77.39%	492.47%	13.60%
Short-term debt % of working capital	12.11%	1.11%	-21.46%	-40.76%	-7.00%
% change	10.66%	47.36%	-482.64%	30.18%	
Total liabilities \$	\$77,175	\$83,844	\$86,136	\$86,136	\$86,136
% change	-7.95%	-2.66%	0.61%		
Total liabilities to equity ratio	9.83	26.47	15.21	15.21	15.21
% change	-62.87%	74.06%	219.41%		
Total liabilities to tangible net worth ratio	9.83	26.47	15.21	15.21	15.21
% change	-62.87%	74.06%	219.41%		
Total debt to EBITDA ratio (annualized)	2.80	6.18	n/a	n/a	n/a
% change	-54.72%	n/a	n/a	n/a	n/a
Source:	4/16/2019	11/8/2018	8/9/2018	5/10/2018	4/16/2019

Kona's revolver debt was reclassified as 100% current due to covenant violations. A drastic jump in short-term debt often precedes a bankruptcy filing.

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Negative working capital

Meager cash, quick, & current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Current assets \$	\$5,660	\$6,813	\$8,576	\$7,257	\$9,044
% change	-16.92%	-20.56%	18.18%	-19.76%	10.86%
% of short-term debt	17.09%	666.63%	924.14%	158.31%	1,160.98%
Current liabilities \$	\$51,591	\$14,611	\$12,901	\$18,502	\$20,178
% change	253.10%	13.25%	-30.27%	-8.31%	34.22%
Working capital \$	(\$45,931)	(\$7,798)	(\$4,325)	(\$11,245)	(\$11,134)
% change	-489.01%	-80.30%	61.54%	-1.00%	-61.93%
% of sales (annualized)	-32.67%	-5.21%	-2.55%	-6.69%	-6.55%
Cash \$	\$2,626	\$3,962	\$5,393	\$3,774	\$5,100
% change	-33.72%	-26.53%	42.90%	-26.00%	38.25%
% of short-term debt	7.93%	387.67%	581.14%	82.33%	654.69%
Cash ratio	0.05	0.27	0.42	0.20	0.25
% change	-81.23%	-35.12%	104.90%	-19.30%	3.02%
Quick assets \$	\$3,171	\$4,356	\$6,034	\$5,020	\$6,471
% change	-27.20%	-27.81%	20.20%	-22.42%	15.74%
% of short-term debt	9.58%	426.22%	650.22%	109.51%	830.68%
Quick ratio	0.06	0.30	0.47	0.27	0.32
% change	-79.37%	-36.26%	72.39%	-15.40%	-13.77%
Current ratio	0.11	0.47	0.66	0.39	0.45
% change	-76.47%	-29.86%	69.51%	-12.49%	-17.40%
Source:	10-K 4/16/2019	10-Q 11/8/2018	10-Q 8/9/2018	10-Q 5/10/2018	10-K 4/16/2019

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017
Return on equity	-822.00%	-65.15%	-31.58%	-43.44%	-69.02%
% change	-1,161.77%	-106.32%	27.31%	37.06%	-336.73%
Return on net tangible equity	-822.00%	-65.15%	-31.58%	-43.44%	-69.02%
% change	-1,161.77%	-106.32%	27.31%	37.06%	-336.73%
Return on total assets	-35.39%	-6.25%	-1.16%	-2.75%	-12.70%
% change	-466.14%	-437.75%	57.75%	78.34%	-301.81%
Return on tangible assets	-35.39%	-6.25%	-1.16%	-2.75%	-12.70%
% change	-466.14%	-437.75%	57.75%	78.34%	-301.81%
Source:	10-K 4/16/2019	10-Q 11/8/2018	10-Q 8/9/2018	10-Q 5/10/2018	10-K 3/22/2018

ANNUAL STATEMENT OF CASH FLOWS

Negative cash from operating activities

Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	12 mos 12/31/2018	12 mos 12/31/2017	12 mos 12/31/2016	12 mos 12/31/2015	12 mos 12/31/2014
Cash Flows from Operating Activities:					
Net income	(\$31,968)	(\$23,432)	(\$21,629)	(\$4,496)	\$703
Depreciation/depletion	13,351	15,155	14,421	9,781	7,176
Non-cash Items	17,392	12,249	13,815	1,629	1,043
Changes in working capital	(403)	1,928	14,280	3,380	5,822
Total cash from operating activities	(1,628)	5,900	20,887	10,294	14,744
Cash Flows from Investing Activities:					
Capital expenditures	(1,700)	(11,840)	(41,900)	(38,077)	(21,855)
Other investing cash flow items, total	124	125	(133)	(138)	(3)
Total cash from investing activities	(1,576)	(11,715)	(42,033)	(38,215)	(21,858)
Cash Flows from Financing Activities:					
Financing cash flow items	(223)	(308)	(719)	0	(1,034)
Issuance/retirement of stock, net	5,547	(3,311)	(10,526)	398	42,345
Issuance/retirement of debt, net	(4,594)	11,000	26,812	0	(3,500)
Total cash from financing activities	730	7,381	15,567	398	37,811
Net change in cash	(2,474)	1,566	(5,579)	(27,523)	30,697
Net cash-beginning balance	5,042	3,476	9,055	36,578	5,881
Net cash-ending balance	\$2,568	\$5,042	\$3,476	\$9,055	\$36,578
Supplemental Disclosures:					
Cash interest paid	\$2,349	\$1,571	\$323	\$99	\$161
Cash taxes paid, supplemental	\$60	\$58	\$2	\$12	\$110
Auditor/Opinion:	Ernst & Young LLP Unqualified				
Source:	10-K 4/16/2019	10-K 3/22/2018	10-K 3/14/2017	10-K 3/3/2016	10-K 3/12/2015

NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

Revenues for the 3 month period ended 3/31/18 decreased 7.1% to \$42M versus revenues of \$45M for the same period last year.

5/15/2018

CRMZ News Service

Kona Grill Inc -- updated financials available

Kona's sales performance continued to struggle as it posted a 9.9% sales decrease for the 3 months ended 6/30/18 as well as an 8.5% sales decrease for the 6 months ended 6/30/18 versus last year's comparable period amounts.

8/14/2018

CRMZ News Service

Kona Grill Inc -- updated financials available

Kona Grill dismisses CEO after only three months on the job.

11/8/2018

GLOBE NEWSWIRE

Kona Grill Announces Strategic Leadership Changes

Kona released its third-quarter 2018 results, which included a \$5M loss. The loss was \$2M greater than the \$3M loss the company reported for Q3 2017.

11/18/2018

CRMZ News Service

Kona Grill Inc -- updated financials available

Kona's CEO resigned; its current CFO is appointed to serve as principal executive officer in the interim.

4/8/2019

CRMZ News Service

KONA GRILL INC FILES (8-K) Disclosing Change in Directors or Principal Officers

Kona suffered recurring losses from operations and had a net capital deficiency that raised substantial doubt about its ability to continue as a going concern.

4/17/2019

CRMZ News Service

Kona Grill Inc Receives Going Concern Opinion

Fiscal year 2018 wraps up on a sour sales note for Kona as net loss for the period increased 89% to \$23M compared with net loss of \$12M for the same period last year. Net loss for the year-to-date period increased 36% to \$32M compared with net loss of \$23M for the equivalent 12 months last year.

4/20/2019

CRMZ News Service

Kona Grill Inc -- updated financials available

Kona was delisted by Nasdaq after receiving notice from the stock market earlier in the month that it would be removed from trading if it did not pay listing fees or file an appeal.

4/26/2019

CRMZ News Service

Kona Grill's Nasdaq Listing Is Suspended

Kona Grill, Inc. filed for bankruptcy

5/1/2019

CRMZ News Service

Kona Grill Files For Bankruptcy Protection

MANAGEMENT DISCUSSION AND ANALYSIS

One feature of the CreditRiskMonitor service is the ability to quickly access a Company's Management Discussion and Analysis (MD&A) history.

The MD&A represents the thoughts and opinions of management, and provides a forecast of future operations, and therefore these statements can't typically be falsified. According to the Financial Accounting Standards Board (FASB), "MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed."

Sarbanes-Oxley subjects CEOs and CFOs to jail and monetary penalties for certifying misleading or fraudulent reports

Report

Kona Grill, Inc.
15059 N. Scottsdale Road
Suite 300
Scottsdale, AZ 85251-1225 United States
Phone: (480) 922-8100
Ticker: **KONAQ**

Filed for Bankruptcy on 4/30/2019
Case #19-10953, filed in the U.S. Bankruptcy Court for the District of Delaware

Management Discussion and Analysis

For the period ended 12/31/2018

Liquidity (MD&A)

Additional equity financing, to the extent available, would result in dilution to current stockholders and additional debt financing, if available, may involve significant cash payment obligations or financial covenants and ratios that may restrict our ability to operate our business. There can be no assurance that the Company will be successful in its plans to increase revenue, increase profitability or to obtain alternative capital and financing on acceptable terms, when required or if at all. These factors as well as the Company's dependency on additional capital or debt financing raise substantial doubt about the Company's ability to continue as a going concern.

Navigation menu items: Overview, Company News, Risk Ratings, Important Information, Annual Financials, Year/Year Interim, Sequential Quarters, SEC Filings, Peer Analysis, Payments, Public Filings, General Info, Access History, Update Portfolio, Print/Save Report, Currency Converter, Send This to a Colleague

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CreditRiskMonitor Bankruptcy Case Studies provide post-filing analyses of public company bankruptcies. Our case studies educate subscribers about methods they can apply to assess bankruptcy risk using CreditRiskMonitor's proprietary FRISK® score, robust financial database and timely news alerts.

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