

Q4 and Fiscal Year 2022 Results Presentation

September 2022

BOWLERO CORPORATION

Disclaimer

Forward-looking statements

Some of the statements contained in this presentation are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are generally identified by the use of words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and, in each case, their negative or other various or comparable terminology. These forward-looking statements reflect our views with respect to future events as of the date of this release and are based on our management's current expectations, estimates, forecasts, projections, assumptions, beliefs and information. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. All such forward-looking statements are subject to risks and uncertainties, many of which are outside of our control, and could cause future events or results to be materially different from those stated or implied in this document. It is not possible to predict or identify all such risks. These risks include, but are not limited to: the impact of COVID-19 or other adverse public health developments on our business; our ability to grow and manage growth profitably, maintain relationships with customers, compete within our industry and retain our key employees; changes in consumer preferences and buying patterns; the possibility that we may be adversely affected by other economic, business, and/or competitive factors; the risk that the market for our entertainment offerings may not develop on the timeframe or in the manner that we currently anticipate; general economic conditions and uncertainties affecting markets in which we operate and economic volatility that could adversely impact our business, including the COVID-19 pandemic and other factors described under the section titled "Risk Factors" in the registration statement on Form S-1 filed with the U.S. Securities and Exchange Commission (the "SEC") by the Company, as well as other filings that the Company will make, or has made, with the SEC, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this press release and in other filings. We expressly disclaim any obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Non-GAAP Financial Measures

To provide investors with information in addition to our results as determined under Generally Accepted Accounting Principles ("GAAP"), we disclose net income, normalized for extraordinary and non-recurring items, Adjusted EBITDA and trailing fifty-two week Adjusted EBITDA as "non-GAAP measures" which management believes provide useful information to investors because each measure assists both investors and management in analyzing and benchmarking the performance and value of our business. Accordingly, management believes that these measurements are useful for comparing general operating performance from period to period, and management relies on these measures for planning and forecasting of future periods. Additionally, these measures allow management to compare our results with those of other companies that have different financing and capital structures. These measures are not financial measures calculated in accordance with GAAP and should not be considered as a substitute for revenue, net income, net cash provided (used) by operating activities or any other operating performance or liquidity measure calculated in accordance with GAAP, and may not be comparable to a similarly titled measure reported by other companies. Net income normalized for extraordinary and non-recurring items represents Net income (loss) before share-based compensation issued in connection with the Company's de-SPAC transaction, transactional and other advisory costs related to the de-SPAC transaction and non-cash expenses or income related to Changes in the value of earnouts and warrants. Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") represents Net income (loss) before Interest, Income Taxes, Depreciation and Amortization, Share-based Compensation, EBITDA from Closed Centers, Foreign Currency Exchange Loss (Gain), Asset Disposition Loss (Gain), Transactional and other advisory costs, Charges attributed to new initiatives, Extraordinary unusual non-recurring gains or losses and Changes in the value of earnouts and warrants. Trailing fifty-two week Adjusted EBITDA represents Adjusted EBITDA over the most recent fifty-two week period. The Company considers net income normalized for extraordinary and non-recurring items as an important financial measure because it provides an indicator of performance that is not affected by fluctuations in certain costs or other items. However, this measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that it does not reflect every cash expenditure and is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows.

The Company considers Adjusted EBITDA as an important financial measure because it provides a financial measure of the quality of the Company's earnings. Other companies may calculate Adjusted EBITDA differently than we do, which might limit its usefulness as a comparative measure. Adjusted EBITDA is used by management in addition to and in conjunction with the results presented in accordance with GAAP. Additionally, we believe trailing fifty-two week Adjusted EBITDA provides the current run-rate for trending purposes, rather than annualizing the respective quarters, as the Company's business is seasonal, with the second and third fiscal quarters being higher than the first and last quarters.

We have presented Adjusted EBITDA solely as a supplemental disclosure because we believe it allows for a more complete analysis of results of operations and assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance, such as Interest, Income Taxes, Depreciation and Amortization, Share-based Compensation, EBITDA from Closed Centers, Foreign Currency Exchange Loss (Gain), Asset Disposition Loss (Gain), Transactional and other advisory costs, Charges attributed to new initiatives, Extraordinary unusual non-recurring gains or losses and Changes in the value of earnouts and warrants. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that Adjusted EBITDA and trailing fifty-two week Adjusted EBITDA:

- do not reflect every expenditure, future requirements for capital expenditures or contractual commitments;
- do not reflect changes in our working capital needs;
- do not reflect the interest expense, or the amounts necessary to service interest or principal payments, on our outstanding debt;
- do not reflect income tax (benefit) expense, and because the payment of taxes is part of our operations, tax expense is a necessary element of our costs and ability to operate;
- do not reflect non-cash equity compensation, which will remain a key element of our overall equity based compensation package; and
- do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations.

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Q4 and Fiscal Year '22 Results: Key Messages

- Revenue in the fourth quarter was nearly $267.7 million, increasing $108.6 million or 68.3% year-over-year and $112.2 million or 72.2% vs. pre-pandemic performance[1]. Same-store revenue was $78.8 million or 53.0% higher than pre-pandemic[2].
- For the fiscal year, Revenue was nearly $911.7 million, increasing $516.5 million or 130.7% year-over-year and $217.8 million or 31.4% relative to pre-pandemic performance[1]. Same-store revenue was $127.4 million or 19.4% higher than pre-pandemic[2].
- Adjusted EBITDA[3] in the fourth quarter grew to $82.4 million, up 94.8% vs. prior year period and 140.9% relative to pre-pandemic performance[1]. For the fiscal year, Adjusted EBITDA[3] was $316.4 million, up 332.7% vs. prior year and 81.9% relative to pre-pandemic[1] performance.
- Net Income for the quarter was $6.9 million. This includes $8.6 million of non-cash expenses related to the increase in the fair value of earnouts and warrants. Net Income for the quarter, adjusted for these items was $15.6 million vs. a Net Loss of $13.5 million in the prior year period.[4]
- Fiscal Year Net Loss of $29.9 million was driven primarily by expenses related to the successful de-SPAC transaction, which include $42.2 million in share based compensation and $32.5 million in transactional expenses, as well as $52.8 million of non-cash expenses related to the increase in the value of earnouts and warrants. Fiscal Year Net Income, adjusted for these items was $97.6 million.[4]
- $34.8 million of cash from operating activities generated in the fourth quarter. For the fiscal year, $177.7 million of cash generated from operating activities.

[1] The pre-pandemic comparable period for current quarter is the quarter ended on June 30, 2019. The pre-pandemic comparable period for the current fiscal year are the trailing twelve months ended on December 29, 2019.
[2] Same-store sales are measured by comparing revenues for centers open for the entire duration of both the current and comparable measurement periods.
[3] See Appendix for definition of Adjusted EBITDA, which is a non-GAAP measure, and a reconciliation to the GAAP measure.
[4] See Appendix for reconciliation of the non-GAAP measure normalized net income to the GAAP measure.

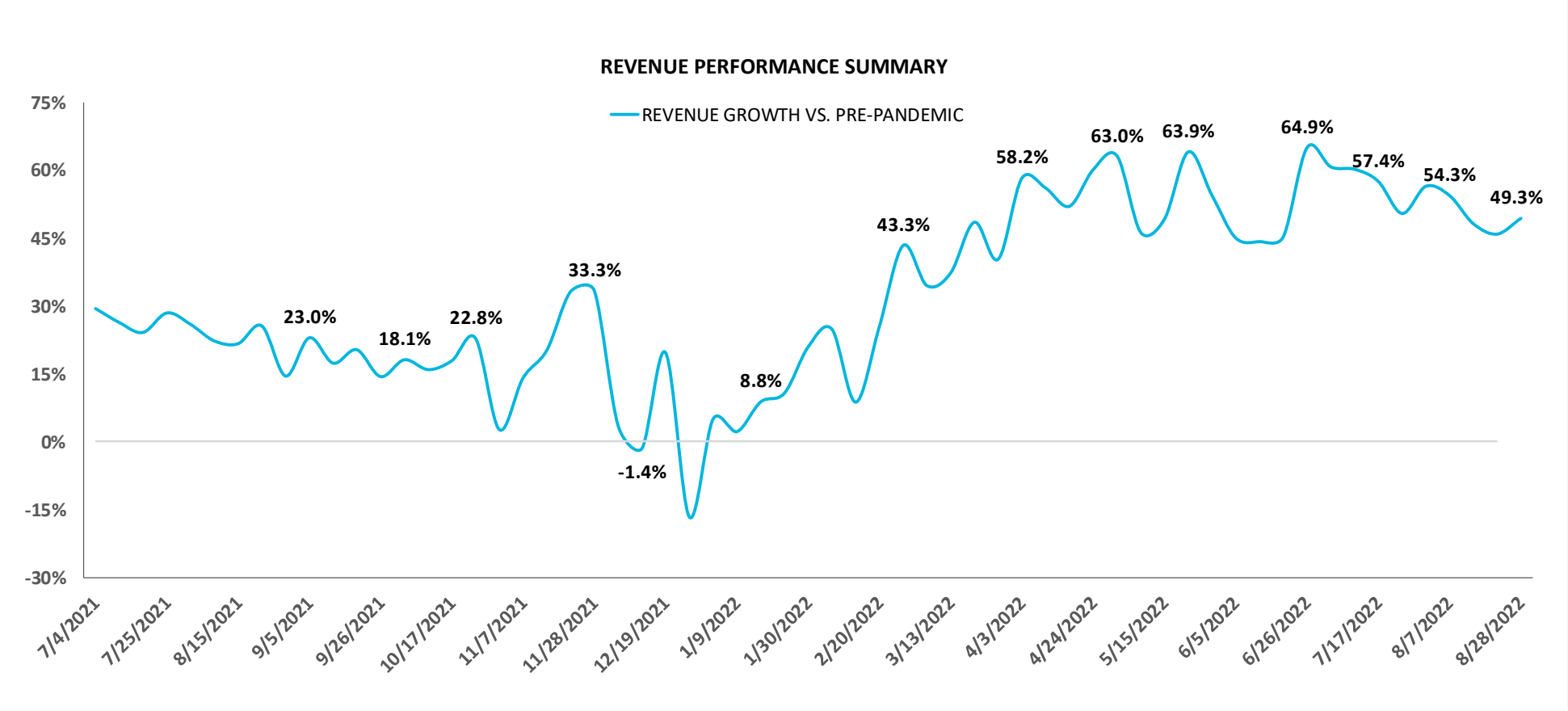
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Q4 and Fiscal Year '22 Results: Key Messages

- In the fourth quarter, the Company repurchased 3.3 million shares of Class A common Stock for $33.5 million. The Company has approximately $160 million remaining on the share repurchase program.
- As of July 3, 2022, the Company has 163.1 million total Class A and Class B shares outstanding[1].
- Retired all outstanding publicly traded and privately held warrants as of May 18, 2022.
- The Company added 4 new centers during the quarter, 29 new centers for the fiscal year. In early FY23, the Company has added 1 more and has signed definitive purchase agreements for an additional 8. The Company also signed leases for another 3 locations to be newly constructed.
- Adjusting for an extra week in the fourth quarter calendar[2], Revenue increased 58.9% year-over-year and 62.6% relative to pre-pandemic performance[3]. Same-store revenue was 44.3% higher than pre-pandemic[4].
- Adjusting for an extra week in the fiscal year calendar[2], Revenue increased 126.9% year over year and 29.2% relative to pre-pandemic performance[3]. Same-store revenue was 17.5% higher than pre-pandemic[3].

[1] Class A and Class B shares outstanding excludes 3.2mm shares of restricted stock that are subject to forfeiture contingent on certain stock price thresholds.
[2] Due to the Company's reporting calendar, Q4 of FY 22 was 14 weeks long and FY 22 was 53 weeks long. During the 53rd week, we produced $14.9 in revenue and approximately $5.6mm in Adjusted EBITDA.
Certain figures in the tables throughout this document may not foot due to rounding.
[3] The pre-pandemic comparable period for current quarter is the quarter ended on June 30, 2019. The pre-pandemic comparable period for the current fiscal year are the trailing twelve months ended on December 29, 2019.
[4] Same-store sales are measured by comparing revenues for centers open for the entire duration of both the current and comparable measurement periods.
[5] See Appendix for definition of Adjusted EBITDA, which is a non-GAAP measure, and a reconciliation to the GAAP measure.

Total Bowling Center Revenue[1] Performance Trend



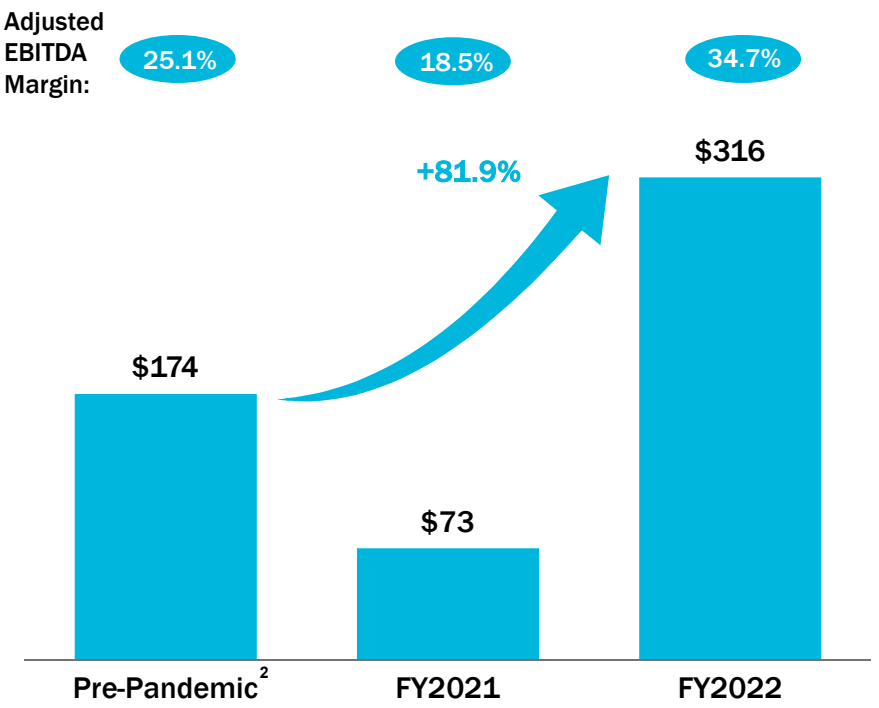
** The revenue performance in individual weeks can be positively or negatively impacted by timing shift of holiday/sporting events, holidays moving to weekends, and extreme weather events.*

Notes:
For weeks between 7/4/21 and 12/26/21 and between 3/6/22 and 8/28/22, the percentages above are calculated by comparing each week to the comparable week in 2019. For weeks between 1/2/22 and 2/27/22, the percentages above are calculated by comparing each week to the comparable week in 2020.
Data for all weeks following the close of the current fiscal year on 7/3/22 are preliminary and have not been audited or reviewed and are forward-looking statements based solely on information available to us as of the date of this presentation.
[1] Total Bowling Center Revenue excludes closed bowling center activity and media revenue, which is also a component of our bowling operations.

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Fiscal Year '22 Adjusted EBITDA was 81.9% greater than the comparable pre-pandemic periods and Adjusted EBITDA Margin expanded almost 1,000 bps

ADJUSTED EBITDA[1] ($MM)



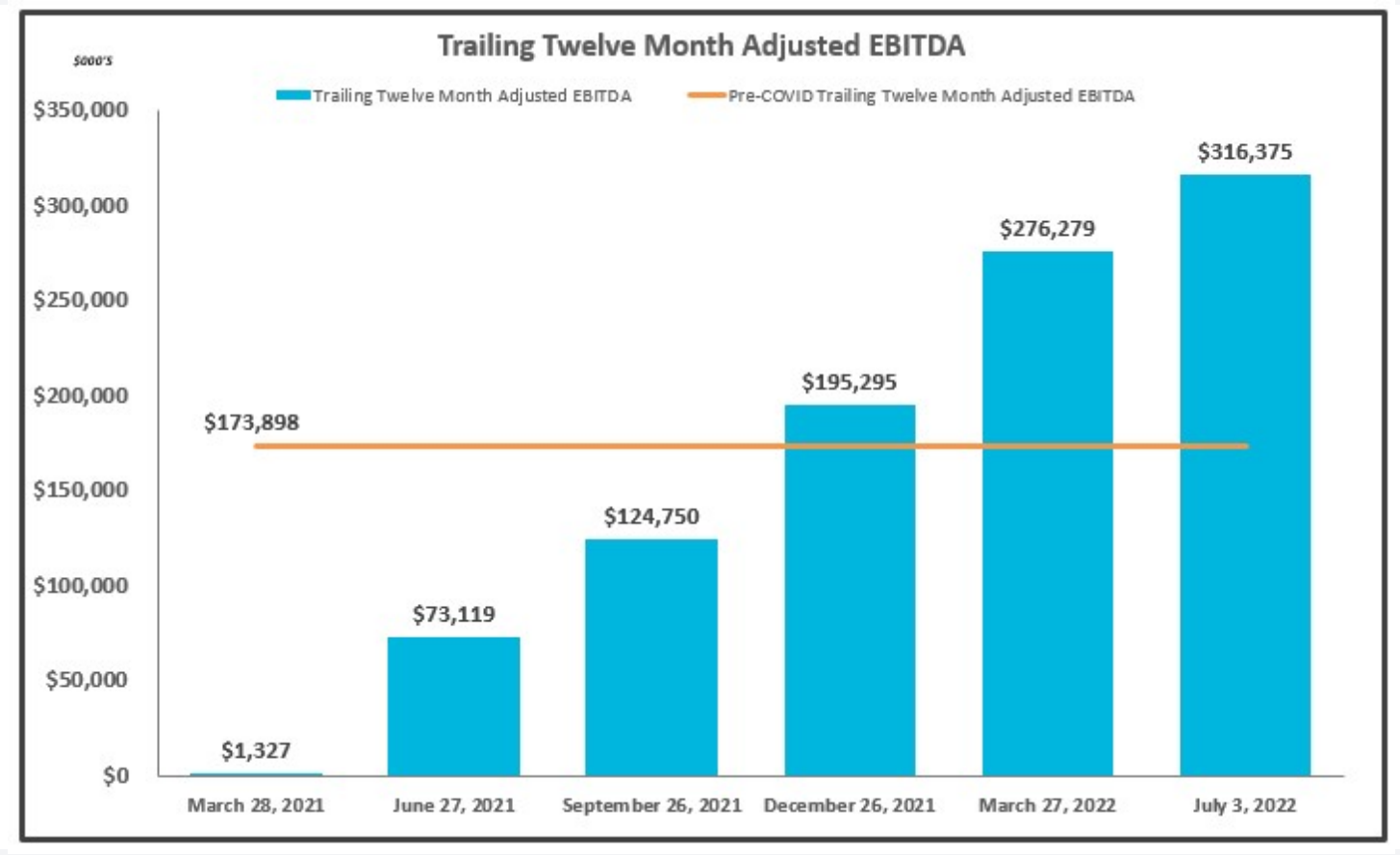
Adjusted EBITDA in FY22 exceeded pre-pandemic[2] levels by $142.5 million or 81.9%

Operational Leverage driving significant Adjusted EBITDA[1] Margin expansion of 960 bps compared to the comparable pre-pandemic fiscal year

[1] See Appendix for definition of Adjusted EBITDA, which is a non-GAAP measure, and a reconciliation to the GAAP measure
[2] The pre-pandemic comparable period for the current fiscal year are the trailing twelve months ended on December 29, 2019.

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Business now significantly exceeding pre-pandemic levels of Adjusted EBITDA



Notes:
See Appendix for definition of Adjusted EBITDA, which is a non-GAAP measure, and a reconciliation to the GAAP measure
pre-pandemic Trailing Fifty-two week Adjusted EBITDA as of December 29, 2019

Bowling Center-level economics continue to out-perform pre-pandemic levels

($MM)	Q4 '22A	Q4 '21A	Q4 '19A
Walk in Retail	$194	$123	$105
Group Events	46	19	28
League & Tournaments	21	12	17
Total Bowling Center Revenue[1]	**$261**	**$154**	**$150**
Total Bowling Center Gross Profit	**$165**	**$106**	**$95**
% Gross Margin	*63%*	*69%*	*63%*
Total Bowling Center EBITDA	**$105**	**$62**	**$57**
% EBITDA Margin	*40%*	*40%*	*38%*

Revenue increase vs. pre-pandemic levels driven by significant growth in walk-in retail, events and leagues

Center EBITDA margin expansion of 238 basis points vs. pre-pandemic level

Bowling Centers generated $105 million of EBITDA in what is a seasonally smaller quarter

Notes:
See Appendix for reconciliation of EBITDA, which is a non-GAAP measure.
pre-pandemic period defined as Q4 FY19 (quarter ended on June 30, 2019)
[1] Total Bowling Center Revenue excludes closed bowling center activity and media revenue, which is also a component of our bowling operations.

Significant cash generated from operations provides support for capital investments in center acquisitions, new builds, existing centers, and other investing activities, as well as share buybacks

▲ $177.7mm of cash generated from operations in FY2022

($ '000s)	Three months ended July 3, 2022	Twelve months ended July 3, 2022
Cash balances, beginning of period	$172,977	$187,093
Operating activities	34,809	177,670
Investing activities, net	(41,601)	(220,345)
Financing activities, net	(33,888)	(12,136)
Effect of exchange rates on cash	(61)	(46)
Cash balance	**$132,236**	**$132,236**



Appendix

Non-GAAP reconciliations

	Adjusted EBITDA Reconciliation					
	Three Months Ended			Twelve Months Ended		
(in thousands)	July 3, 2022	June 27, 2021	June 30, 2019	July 3, 2022	June 27, 2021	December 29, 2019
Consolidated						
Revenues	$267,717	$159,103	$155,494	$911,705	$395,234	$693,929
Net (loss) income - GAAP	**$6,943**	**($13,461)**	**($16,002)**	**($29,934)**	**($126,461)**	**($1,841)**
Adjustments:						
Interest expense	25,359	23,128	14,965	94,460	88,857	69,903
Income tax expense (benefit)	5,399	(1,368)	1,788	(690)	(1,035)	1,803
Depreciation, amortization and impairment charges	30,018	23,872	25,900	108,505	91,851	89,264
Share-based compensation	3,860	793	838	50,236	3,164	3,406
Closed center EBITDA [1]	51	1,750	1,447	1,480	4,039	(400)
Foreign currency exchange loss (gain)	(26)	(99)	6	5	(188)	(225)
Asset disposition loss (gain)	(2,355)	31	2,917	(4,109)	(46)	5,247
Transactional and other advisory costs [2]	1,405	6,644	519	38,140	10,737	3,041
Charges attributed to new initiatives [3]	113	147	260	362	531	1,020
Extraordinary unusual non-recurring (gains) losses [4]	2,981	859	1,566	5,131	1,670	2,680
Changes in the value of earnouts and warrants and settlement costs [5]	8,644	0	0	52,789	0	0
Adjusted EBITDA	**$82,392**	**$42,296**	**$34,204**	**$316,375**	**$73,119**	**$173,898**
Adjusted EBITDA Margin	*30.8 %*	*26.6 %*	*22.0 %*	*34.7 %*	*18.5 %*	*25.1 %*
SG&A Expense	26,870	19,734	21,705	84,849	57,326	82,316
Media & Other Income	(4,210)	34	978	(18,005)	(985)	1,257
Center EBITDA [6]	**$105,052**	**$62,064**	**$56,887**	**$383,219**	**$129,460**	**$257,471**

[1] The closed center adjustment is to remove EBITDA for closed centers. Closed centers are those centers that are closed for a variety of reasons, including permanent closure, newly acquired or built centers prior to opening, centers closed for renovation or rebranding and conversion. Closed centers do not include centers closed in compliance with local, state and federal government restrictions due to COVID-19. If a center is not open on the last day of the reporting period, it will be considered closed for that reporting period. If the center is closed on the first day of the reporting period for permanent closure, the center will be considered closed for that reporting period.
[2] The adjustment for transaction costs and other advisory costs is to remove charges incurred in connection with any transaction, including mergers, acquisitions, refinancing, amendment or modification to indebtedness, dispositions and costs in connection with an initial public offering, in each case, regardless of whether consummated. [3] The adjustment for charges is to remove charges attributed to new initiatives include charges with the undertaking and/or implementation of new initiatives, business optimization activities, cost savings initiatives, cost rationalization programs, operating expense reductions and/or synergies and/or similar initiatives and/or programs (including in connection with any integration, restructuring or transition, any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, any office or facility opening and/or pre-opening), including any inventory optimization program and/or any curtailment, any business optimization charge, any restructuring charge (including any charges relating to any tax restructuring), any charge relating to the closure or consolidation of any office or facility (including but not limited to rent termination costs, moving costs and legal costs), any systems implementation charge, any severance charge, any one time compensation charge, any charge relating to entry into a new market, any charge relating to any strategic initiative or contract, any charge relating to any entry into new markets and contracts, any lease run-off charge, any charge associated with improvements to information technology (IT) or accounting functions, losses related to temporary decreases in work volume and expenses related to maintaining underutilized personnel, any charge relating to a new contract, any consulting charge and/or any corporate development charge; provided, that, in the case of any such charge, the results of any such action relating to such charge are projected by in good faith to be achieved within 24 months of the undertaking. [4] The adjustment for extraordinary unusual non-recurring gains or losses is to remove extraordinary gains and losses, which include any gain or charge from any extraordinary item as determined in good faith by the Company and/or any non-recurring or unusual item as determined in good faith by the Company and/or any charge associated with and/or payment of any legal settlement, fine, judgment or order
[5] The adjustment for changes in the value of earnouts and warrants is to remove the impact of the revaluation of the earnouts and warrants. As a result of the Company's de-SPAC transaction, the Company recorded liabilities for earnouts and warrants. Changes in the fair value of the earnout and warrant liabilities are recognized in the statement of operations. Decreases in the liability will have a favorable impact on the income statement and increases in the liability will have an unfavorable impact.
[6] Center EBITDA, which is a Non-GAAP measure, represents Adjusted EBITDA excluding SG&A Expense and Media & Other Income.

Non-GAAP reconciliations (cont'd)

Trailing twelve month Adjusted EBITDA Reconciliation

Net loss - GAAP and Adjusted EBITDA

(in thousands)	December 29, 2019	March 28, 2021	June 27, 2021	September 26, 2021	December 26, 2021	March 27, 2022	July 3, 2022
Consolidated							
Revenues	$693,929	$247,257	$395,234	$526,281	$657,483	$803,091	$911,705
Net loss - GAAP	**($1,841)**	**($197,748)**	**($126,461)**	**($70,125)**	**($55,442)**	**($50,338)**	**($29,934)**
Adjustments:							
Interest expense	69,903	86,352	88,857	90,612	92,239	92,229	94,460
Income tax expense (benefit)	1,803	7,927	(1,035)	(7,403)	(7,147)	(7,457)	(690)
Depreciation, amortization and impairment charges	89,264	91,411	91,851	92,241	95,363	102,359	108,505
Share-based compensation	3,406	3,226	3,164	3,116	44,975	47,169	50,236
Closed center EBITDA [1]	(400)	3,259	4,039	3,880	3,374	3,179	1,480
Foreign currency exchange loss (gain)	(225)	(146)	(188)	(155)	126	(68)	5
Asset disposition loss (gain)	5,247	613	(46)	(77)	(58)	(1,723)	(4,109)
Transactional and other advisory costs [2]	3,041	5,573	10,737	12,056	40,474	43,379	38,140
Charges attributed to new initiatives [3]	1,020	500	531	540	489	396	362
Extraordinary unusual non-recurring losses [4]	2,680	360	1,670	65	3,374	3,009	5,131
Changes in the value of earnouts and warrants and settlement costs [5]	0	0	0	0	(22,472)	44,145	52,789
Adjusted EBITDA	**$173,898**	**$1,327**	**$73,119**	**$124,750**	**$195,295**	**$276,279**	**$316,375**
Adjusted EBITDA Margin	*25.1 %*	*0.5 %*	*18.5 %*	*23.7 %*	*29.7 %*	*34.4 %*	*34.7 %*

[1] The closed center adjustment is to remove EBITDA for closed centers. Closed centers are those centers that are closed for a variety of reasons, including permanent closure, newly acquired or built centers prior to opening, centers closed for renovation or rebranding and conversion. Closed centers do not include centers closed in compliance with local, state and federal government restrictions due to COVID-19. If a center is not open on the last day of the reporting period, it will be considered closed for that reporting period. If the center is closed on the first day of the reporting period for permanent closure, the center will be considered closed for that reporting period. [2] The adjustment for transaction costs and other advisory costs is to remove charges incurred in connection with any transaction, including mergers, acquisitions, refinancing, amendment or modification to indebtedness, dispositions and costs in connection with an initial public offering, in each case, regardless of whether consummated. [3] The adjustment for charges is to remove charges attributed to new initiatives include charges with the undertaking and/or implementation of new initiatives, business optimization activities, cost savings initiatives, cost rationalization programs, operating expense reductions and/or synergies and/or similar initiatives and/or programs (including in connection with any integration, restructuring or transition, any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, any office or facility opening and/or pre-opening), including any inventory optimization program and/or any curtailment, any business optimization charge, any restructuring charge (including any charges relating to any tax restructuring), any charge relating to the closure or consolidation of any office or facility (including but not limited to rent termination costs, moving costs and legal costs), any systems implementation charge, any severance charge, any one time compensation charge, any charge relating to entry into a new market, any charge relating to any strategic initiative or contract, any charge relating to any entry into new markets and contracts, any lease run-off charge, any charge associated with improvements to information technology (IT) or accounting functions, losses related to temporary decreases in work volume and expenses related to maintaining underutilized personnel, any charge relating to a new contract, any consulting charge and/or any corporate development charge; provided, that, in the case of any such charge, the results of any such action relating to such charge are projected by in good faith to be achieved within 24 months of the undertaking. [4] The adjustment for extraordinary unusual non-recurring gains or losses is to remove extraordinary gains and losses, which include any gain or charge from any extraordinary item as determined in good faith by the Company and/or any non-recurring or unusual item as determined in good faith by the Company and/or any charge associated with and/or payment of any legal settlement, fine, judgment or order [5] The adjustment for changes in the value of earnouts and warrants is to remove the impact of the revaluation of the earnouts and warrants. As a result of the Company's de-SPAC transaction, the Company recorded liabilities for earnouts and warrants. Changes in the fair value of the earnout and warrant liabilities are recognized in the statement of operations. Decreases in the liability will have a favorable impact on the income statement and increases in the liability will have an unfavorable impact.

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Non-GAAP reconciliations (cont'd)

NORMALIZED NET INCOME RECONCILIATION July 3, 2022 *(in thousands)*	Three months ended	Twelve months ended
Net Income / (Loss) - GAAP	**$6,943**	**($29,934)**
Change in fair value of earnouts and warrants and settlement costs	$8,644	$52,789
Share-based compensation - de-SPAC	$0	$42,212
Transactional and other advisory costs	$0	$32,502
Normalized Net Income	**$15,587**	**$97,569**


THANK YOU
BOWL
SHOE RETURN
be kind un-tie
SHOE RETURN
JOIN OUR TEAM!
BOWLMOR
AIR FX