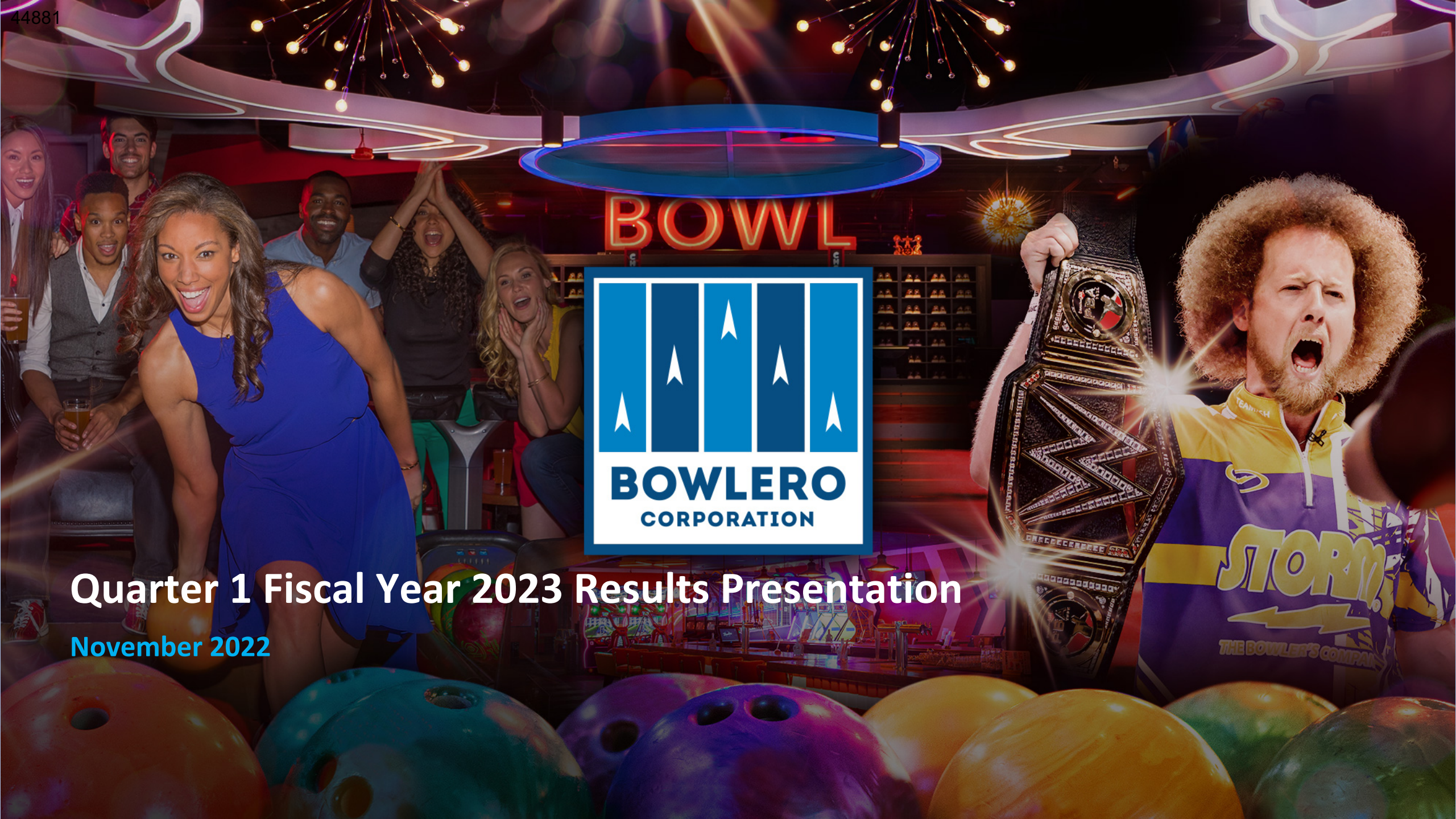


Quarter 1 Fiscal Year 2023 Results Presentation

November 2022

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 and include preliminary results. 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 Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") by the Company on September 15, 2022, as well as other filings that the Company will make, or has made, with the SEC, such as 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 twelve month 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 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 and settlement costs. Trailing twelve month Adjusted EBITDA represents Adjusted EBITDA over the most recent twelve month 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 twelve month 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.

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 twelve month 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.

Q1 FY2023 Results Demonstrate Continued Positive Momentum in the Business

Continued track record of strong, consistent top-line growth

- Revenue in the first quarter was $230.3 million.
- Revenue grew $49.3 million or 27.2% year-over-year and $81.7 million or 55.0% vs. pre-pandemic performance[1].
- Same-store revenue was $34.6 million or 19.9% higher than prior year and $53.9 million or 37.6% higher than pre-pandemic[2].

High margin business model with industry leading operating metrics

- Net loss for the quarter was $33.5 million. Adjusted for a non-cash expense, related to the valuation of the earnout shares ($40.8 million), normalized Net Income was $7.2 million.[3]
- Adjusted EBITDA[3] was $65.3 million, growing 11.0% year-over-year and 162.0% relative to the corresponding pre-pandemic periods[1].
- Adjusted EBITDA Margin in Q1 was 28.4%, representing a 1,158 basis points increase compared to the same quarter pre-pandemic[2] as Operating Leverage and technology enabled performance enhancements drove significant Adjusted EBITDA margin expansion.
- Adjusted EBITDA Margin declined slightly (415 bps) year-over-year, as prior year margins were unseasonably high due to pandemic-related staffing challenges. Q1 FY23 reflects a return to normalized staffing levels. The Company has also recently taken additional price increases to offset the rise in input costs.

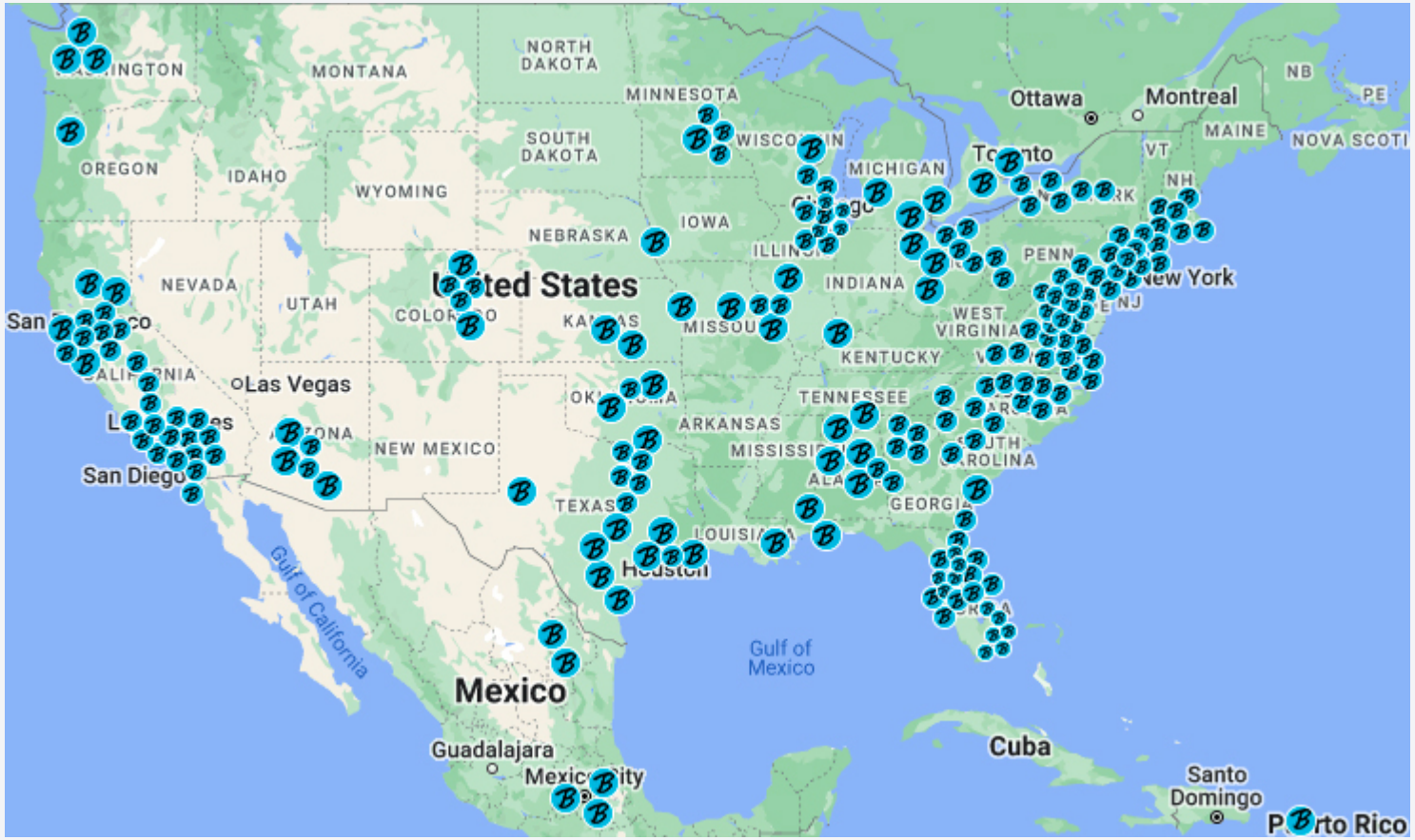
Cash generation remains robust with $35.6 million generated from operating activities in the first quarter

- In the first quarter, the Company also repurchased 468,103 shares of Class A common Stock for $5.5 million. The Company has approximately $154.6 million remaining on the share repurchase program.

The Company added 3 new centers in Q1 and the pipeline remains robust, offering a compelling opportunity to consolidate and grow the industry

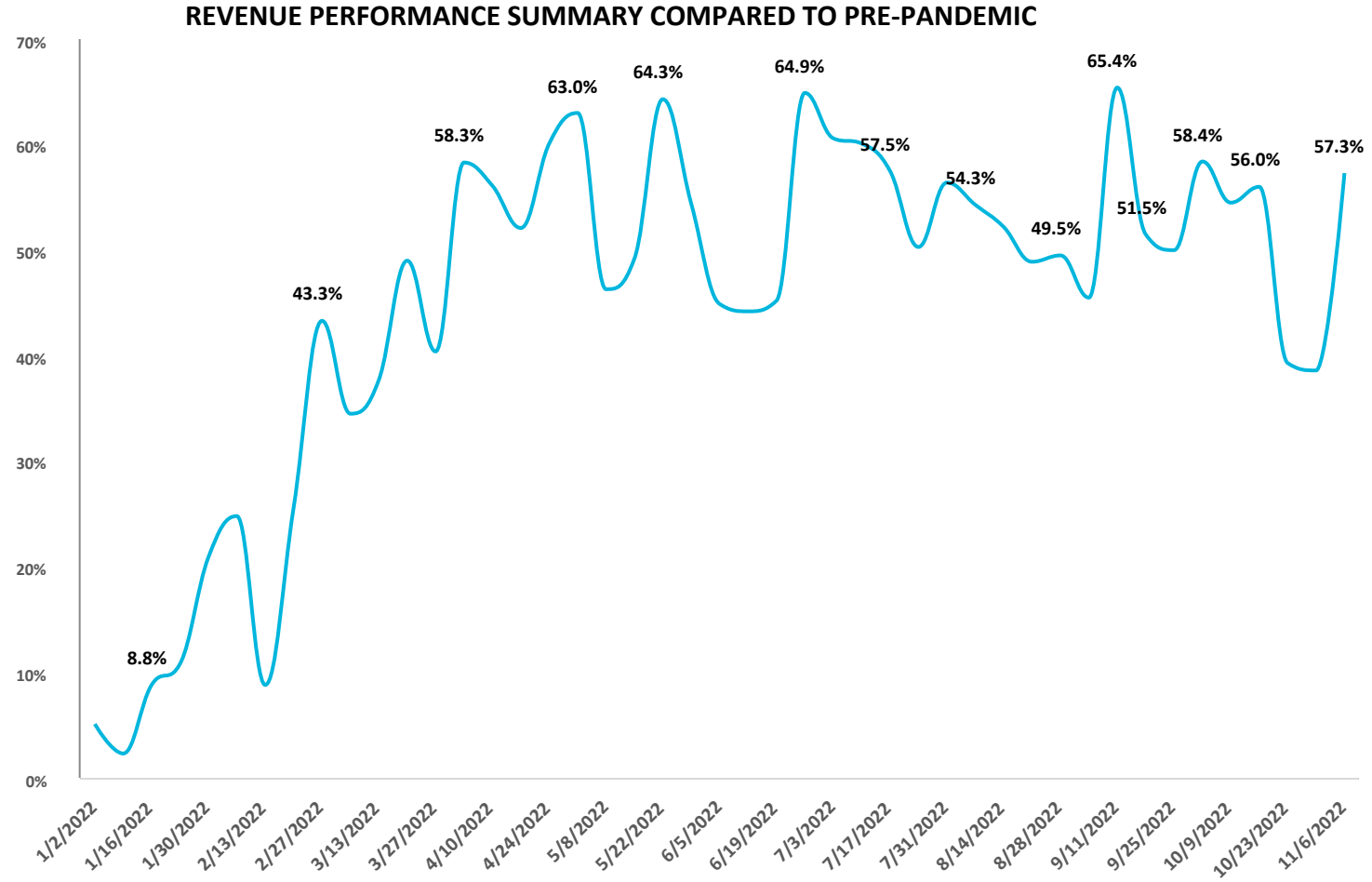
[1] The pre-pandemic comparable period for current quarter is the quarter ended on September 29, 2019.
[2] Same-store sales are measured by comparing revenues for centers open for the entire duration of both the current and comparable measurement periods.
[3] See Appendix for definition of Adjusted EBITDA and normalized Net Income, which are a non-GAAP measure, and a reconciliation to the GAAP measure.

Growing Portfolio of Assets in Diversified and Attractive Markets



- Well positioned in **highly attractive markets** across North America
  - **~75% of revenue** generated in or adjacent to **top 25 MSAs**
- 325 centers currently operating
  - **Acquired 9 new centers** since start of the fiscal 2023 and **38 new centers** since start of fiscal 2022.
  - Signed **definitive purchase agreements** for **3** additional centers.
  - Signed **5** leases to **build new centers**.
- **Differentiated offerings** have broad appeal across attractive demographics

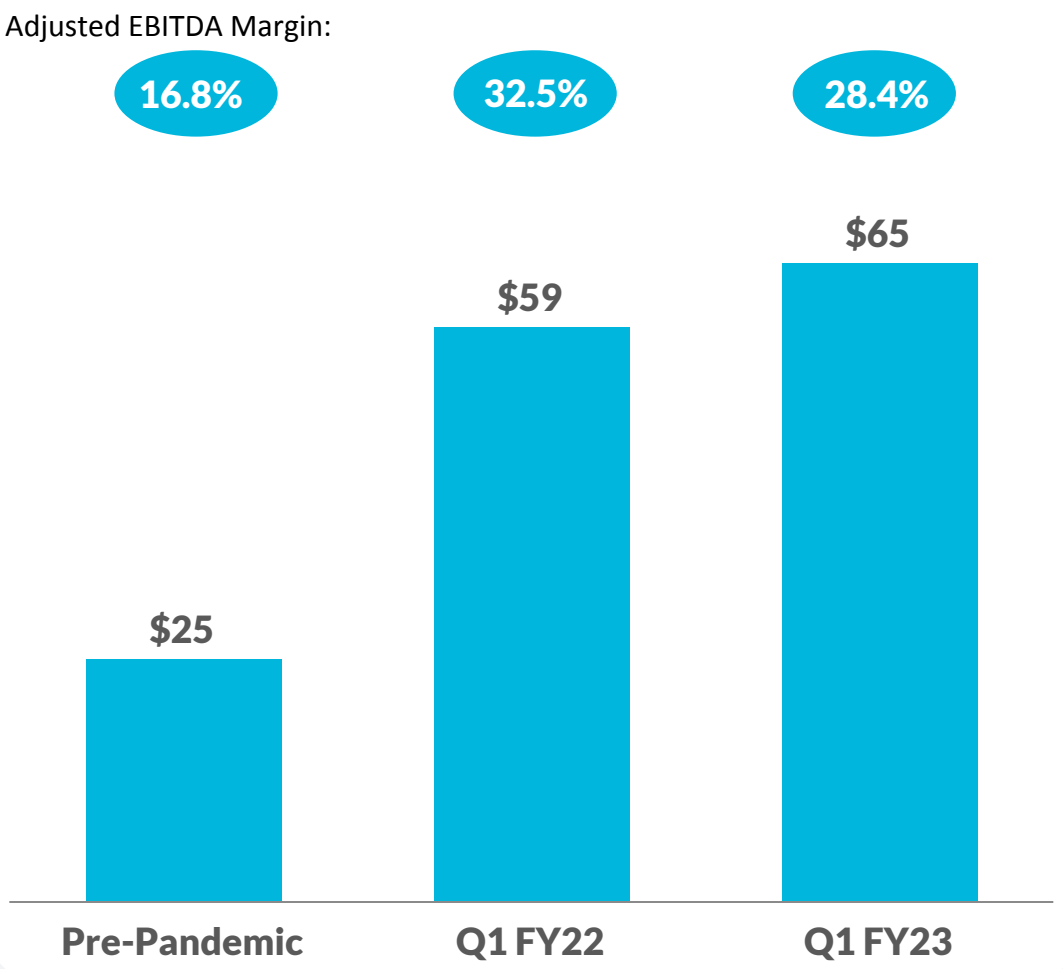
Total Bowling Center Revenue[1] Performance Trend



Notes:
[1] Total Bowling Center Revenue excludes closed bowling center activity and media revenue, which is also a component of our bowling operations. Data for all weeks following the close of the quarter ended on October 2, 2022 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 announcement. 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. For weeks between 3/6/22 and 11/6/22, the percentages above are calculated by comparing each week to the comparable week in 2019.

First Quarter Adjusted EBITDA Grew at a Double-Digit Pace

Adjusted EBITDA[1] ($mm)



Adjusted EBITDA[1] in Q1 FY23 grew $6.5 million or 11.0% year-over-year and **exceeded** pre-pandemic[2] levels by **$40.4 million or 162.0%**.

Adjusted EBITDA Margin **expanded 1,158** bps compared to Pre-Pandemic driven by **operating leverage** and a technology-based toolkit focused on **optimizing performance** with disciplined **cost control**.

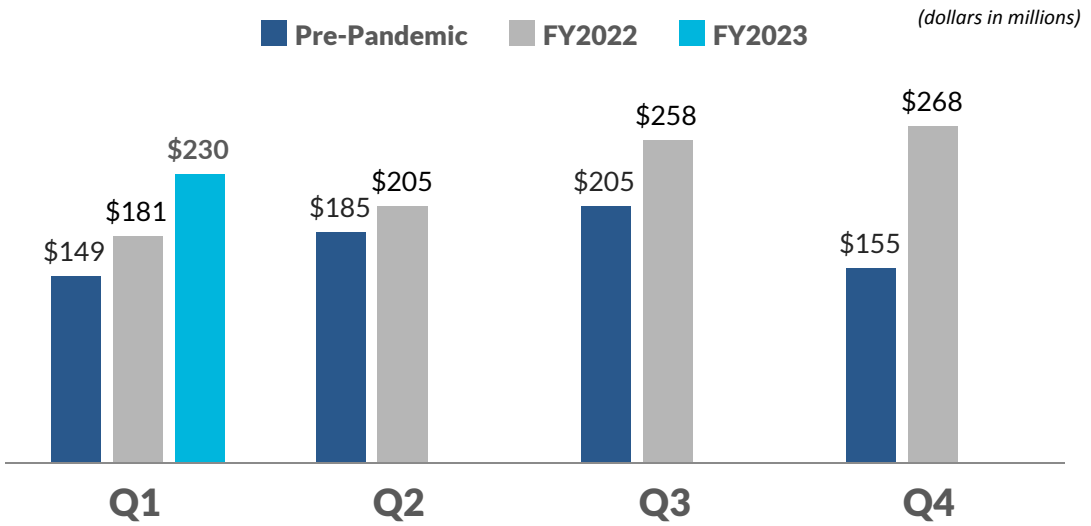
Q1 FY23 **Adjusted EBITDA Margin** impacted by **reinvestment in normalized** center labor ahead of seasonally much larger Q2 and Q3. The Company **increased prices** to offset the rise in input costs.

Prior year **Adjusted EBITDA** reflected a **rapid recovery** from the pandemic that **exceeded expectations** despite pandemic-driven staffing shortages.

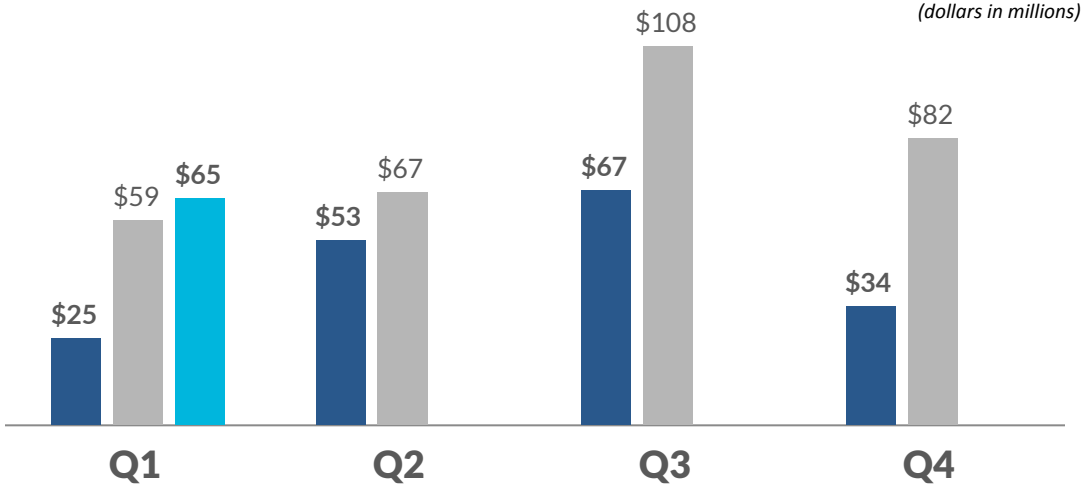
[1] See Appendix for definition of Adjusted EBITDA, which is a non-GAAP measure, and a reconciliation to the GAAP measure
[2] The pre-pandemic comparable period for the current fiscal year are the trailing twelve months ended on December 29, 2019.

Calibrating Revenue and Adjusted EBITDA[1] Performance vs. Prior Years

Total Company Revenue



Adjusted EBITDA



Phenomenal performance in a "typical" seasonally-low volume quarter.

Revenue soared to the **largest Q1** and **3rd highest** Quarter ever.

Adjusted EBITDA was the **largest 1st Quarter** in Company history.

TTM Adjusted EBITDA[3] is a **record $322.8 million.**

Company views pre-pandemic[2] revenue curve as indicative of normalized seasonality. Historically, Q2 and Q3 are the **strongest quarters** for the Company with **~55%-60% of annual revenue** generated in these two quarters combined.

Seasonality in FY2022 was impacted by the global pandemic.

Q1 FY22: Strong demand supported by continued easing of restrictions and a drop in COVID cases.

Q2/Q3 FY22: Omicron materially dampened the holiday season due to a new wave of COVID restrictions.

[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.
[3] TTM stands for Trailing Twelve Months ended October 2, 2022.

Bowling Center-level Economics Continue to Out-perform Pre-Pandemic Levels

($MM)	FIRST QUARTER '23A	'22A	Pre-Pandemic[1]
Walk in Retail	$166	$141	$104
Group Events	$41	$22	$24
League & Tournaments	$19	$13	$16
Total Bowling Center Revenue[2]	**$226**	**$176**	**$144**
Total Bowling Center Gross Profit	**$146**	**$120**	**$91**
% Gross Margin	*65%*	*68%*	*63%*
Total Bowling Center EBITDA	**$86**	**$72**	**$44**
% EBITDA Margin	*38%*	*41%*	*31%*

Bowling Center Revenue increased **$50 million** or **28%** year-over-year driven by the near **doubling of Event** Revenue, **recovery** of **League** Business, and solid walk-in retail performance.

In a seasonally smaller quarter, **Bowling Centers** generated a **massive $86 million** in **Center EBITDA**, which increased **$14 million** or **20%** year-over-year and **surged $42 million** or **95%** compared to pre-pandemic.

Bowling Centers margin **rose 753 bps** compared to pre-pandemic driven by **operating leverage**, management's focus on **maximizing profitability**, and retail **price increases** to offset rising input costs.

Notes:
See Appendix for reconciliation of EBITDA, which is a non-GAAP measure.
[1] Pre-Pandemic period represents the quarter ended on September 29, 2019.
[2] 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, upgrades to existing centers, and share buybacks

(dollars in thousands)	**Three months ended October 2, 2022**	**Three months ended September 26, 2021**
Cash balances, beginning of period	$132,236	$187,093
Operating activities	35,573	31,540
Investing activities, net	(62,492)	(95,724)
Financing activities, net	5,167	(908)
Effect of exchange rates on cash	(123)	61
Cash balance	**$110,361**	**$122,062**

▲ Due to the seasonal nature of the business, it is typical for cash to decline in the first fiscal quarter. Additionally, we continue to invest in growing and improving our footprint through new center acquisitions, new builds locations, and center renovations and upgrades.



Appendix

Non-GAAP reconciliations

	Adjusted EBITDA Reconciliation		
	Three Months Ended		
(in thousands)	**October 2, 2022**	**September 26, 2021**	**September 29, 2019**
Consolidated			
Revenues	$230,260	$180,978	$148,570
Net (loss) income - GAAP	**(33,534)**	**15,564**	**(19,719)**
Adjustments:			
Interest expense	23,570	22,928	19,665
Income tax expense (benefit)	429	(6,244)	153
Depreciation, amortization and impairment charges	26,351	22,841	21,102
Share-based compensation	3,648	801	869
Closed center EBITDA (1)	379	420	1,116
Foreign currency exchange (gain) loss	(71)	35	—
Asset disposition (gain) loss	(155)	(30)	66
Transactional and other advisory costs (2)	2,226	2,829	1,308
Charges attributed to new initiatives (3)	45	141	299
Extraordinary unusual non-recurring losses (gains) (4)	1,661	(441)	72
Changes in the value of earnouts (5)	40,760	—	—
Adjusted EBITDA	**65,309**	**58,844**	**24,931**
Adjusted EBITDA Margin	*28.4%*	*32.5%*	*16.8%*
SG&A Expense	24,495	16,914	19,357
Media & Other Income	(3,745)	(4,169)	(184)
Center EBITDA	**$86,059**	**$71,589**	**$44,104**

[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 is to remove the impact of the revaluation of the earnouts. As a result of the Company's de-SPAC transaction, the Company recorded a liability for earnouts. Changes in the fair value of the earnout liability 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.

[7] Center EBITDAR is Center EBITDA plus GAAP Rent Expense.

Non-GAAP reconciliations (cont'd)

Trailing twelve month Adjusted EBITDA Reconciliation							
Net loss - GAAP and Adjusted EBITDA							
(in thousands)	**March 28, 2021**	**June 27, 2021**	**September 26, 2021**	**December 26, 2021**	**March 27, 2022**	**July 3, 2022**	**October 2, 2022**
Consolidated							
Revenues	$247,257	$395,234	$526,281	$657,483	$803,091	$911,705	$960,987
Net loss - GAAP	$(197,748)	$(126,461)	$(70,125)	$(55,442)	$(50,338)	$(29,934)	$(79,032)
Adjustments:							
Interest expense	86,352	88,857	90,612	92,239	92,229	94,460	95,102
Income tax expense (benefit)	7,927	(1,035)	(7,403)	(7,147)	(7,457)	(690)	5,983
Depreciation, amortization and impairment charges	91,411	91,851	92,241	95,363	102,359	108,505	112,015
Share-based compensation	3,226	3,164	3,116	44,975	47,169	50,236	53,083
Closed center EBITDA (1)	3,259	4,039	3,880	3,374	3,179	1,480	1,439
Foreign currency exchange (gain) loss	(146)	(188)	(155)	126	(68)	5	(101)
Asset disposition loss (gain)	613	(46)	(77)	(58)	(1,723)	(4,109)	(4,234)
Transactional and other advisory costs (2)	5,573	10,737	12,056	40,474	43,379	38,140	37,537
Charges attributed to new initiatives (3)	500	531	540	489	396	362	266
Extraordinary unusual non-recurring losses (4)	360	1,670	65	3,374	3,009	5,131	7,233
Changes in the value of earnouts and warrants and settlement costs (5)	—	—	—	(22,472)	44,145	52,789	93,549
Adjusted EBITDA	$1,327	$73,119	$124,750	$195,295	$276,279	$316,375	$322,840
Adjusted EBITDA Margin	*0.5%*	*18.5%*	*23.7%*	*29.7%*	*34.4%*	*34.7%*	*33.6%*

[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. The adjustment also includes realized costs associated with the settlement of warrants during past reporting periods.

Non-GAAP reconciliations (cont'd)

NORMALIZED NET INCOME RECONCILIATION	
(in thousands)	**Three months October 2, 2022**
Net loss - GAAP	**$(33,534)**
Change in fair value of earnouts	40,760
Normalized Net Income	**$7,226**

Bowlero Fully Diluted Share Count

(shares in thousands)	@ Current Share Price [1]	@ Earnout Tranche II Price [2]
Presumed Share Price	*$14.77*	*$17.50*
Class A & B Shares Issued & Outstanding	162,685	162,685
Earnout Shares[3]	—	22,837
Options & RSUs[4]	12,196	15,092
Convertible Preferred Stock[5]	15,846	15,846
Fully Diluted Shares Outstanding	**190,727**	**216,460**

Footnotes:

[1] Assumes Bowlero Class A share price of $14.77 as of November 14, 2022.

[2] Earnout Shares vest during the period from and after December 15, 2021 (the closing date of the SPAC transaction, or the "Closing Date") until the fifth anniversary of the Closing Date. The shares vest in two tranches:
(i) roughly half vest if the closing share price of Bowlero's Class A common stock equals or exceeds $15.00 per share for any 10 trading days within any consecutive 20 trading day period that occurs after the Closing Date and before the 5th anniversary of the Closing Date and
(ii) roughly half vest if the closing share price of Bowlero's Class A common stock equals or exceeds $17.50 per share for any 10 trading days within any consecutive 20-trading day period that occurs after the Closing Date and before the 5th anniversary of the Closing Date.

[3] Includes 475k additional shares issued to the Sponsor and LionTree as a result of the cashless exercise of their unvested private placement warrants.

[4] Based on the Treasury Stock Method ("TSM"). Assumes weighted average strike prices of $7.18 and $13.72 for options granted under the 2017 Plan and 2021 Plan, respectively. On a nominal basis taking into account the gross share count associated with stock options under the 2017 and 2021 Plans, the fully diluted share count would be ~232,000.

[5] Reflects equivalent number of Bowlero Class A common shares on an as-converted basis.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