UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 29, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-40142

LUCKY STRIKE
ENTERTAINMENT

LUCKY STRIKE ENTERTAINMENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**98-1632024**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7313 Bell Creek Road	
Mechanicsville , Virginia	**23111**
(Address of Principal Executive Offices)	(Zip Code)

(804) 417-2000
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.0001 per share	LUCK	The New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The registrant had outstanding 84,477,211 shares of Class A common stock, 58,519,437 shares of Class B common stock, and 117,087 shares of Series A preferred stock as of January 29, 2025.

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Lucky Strike Entertainment Corporation
Condensed Consolidated Balance Sheets
(Amounts in thousands)
(Unaudited)

Item 1. Condensed Consolidated Financial Statements

	December 29, 2024	June 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 80,755	$ 66,972
Accounts and notes receivable, net	6,102	6,757
Inventories, net	15,927	13,171
Prepaid expenses and other current assets	35,220	25,316
Assets held-for-sale	20	1,746
Total current assets	138,024	113,962
Property and equipment, net	935,854	887,738
Operating lease right of use assets	591,264	559,168
Finance lease right of use assets, net	516,144	524,392
Intangible assets, net	46,331	47,051
Goodwill	841,269	833,888
Deferred income tax asset	135,718	112,106
Other assets	35,381	35,730
Total assets	$ 3,239,985	$ 3,114,035
Liabilities, Temporary Equity and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 141,363	$ 135,784
Current maturities of long-term debt	10,278	9,163
Current obligations of operating lease liabilities	31,637	28,460
Other current liabilities	7,680	9,399
Total current liabilities	190,958	182,806
Long-term debt, net	1,275,757	1,129,523
Long-term obligations of operating lease liabilities	603,986	561,916
Long-term obligations of finance lease liabilities	680,622	680,213
Long-term financing obligations	445,027	440,875
Earnout liability	69,058	137,636
Other long-term liabilities	26,310	26,471
Deferred income tax liabilities	4,007	4,447
Total liabilities	3,295,725	3,163,887
Commitments and Contingencies (Note 9)		

	December 29, 2024	June 30, 2024
Temporary Equity		
Series A preferred stock	$ 123,918	$ 127,410
Stockholders' Deficit		
Class A common stock	11	11
Class B common stock	6	6
Additional paid-in capital	504,830	510,675
Treasury stock, at cost	(430,851)	(385,015)
Accumulated deficit	(251,757)	(303,159)
Accumulated other comprehensive (loss) income	(1,897)	220
Total stockholders' deficit	(179,658)	(177,262)
Total liabilities, temporary equity and stockholders' deficit	$ 3,239,985	$ 3,114,035

See accompanying notes to unaudited condensed consolidated financial statements.

Lucky Strike Entertainment Corporation
Condensed Consolidated Statements of Operations
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Revenues				
Bowling	$ 138,967	$ 145,295	$ 261,170	$ 261,725
Food & beverage	110,902	111,192	198,941	186,105
Amusement & other	50,205	49,184	100,158	85,246
Total revenues	300,074	305,671	560,269	533,076
Costs and expenses				
Location operating costs, excluding depreciation and amortization	82,694	78,837	168,922	152,210
Location payroll and benefit costs	70,876	77,742	138,312	140,796
Location food and beverage costs	23,225	23,920	43,755	40,605
Selling, general and administrative expenses, excluding depreciation and amortization	34,384	35,835	69,195	73,959
Depreciation and amortization	39,118	37,071	76,101	68,423
Loss on impairment and disposal of fixed assets, net	2,575	50	4,047	49
Other operating expense, net	329	2,739	118	2,201
Total costs and expenses	253,201	256,194	500,450	478,243
Operating income	46,873	49,477	59,819	54,833
Other (income) expenses				
Interest expense, net	48,795	46,236	97,465	83,685
Change in fair value of earnout liability	(19,682)	64,091	(68,603)	23,409
Other expense	800	10	800	63
Total other expense	29,913	110,337	29,662	107,157
Income (loss) before income tax (benefit) expense	16,960	(60,860)	30,157	(52,324)
Income tax (benefit) expense	(11,347)	2,609	(21,245)	(7,074)
Net income (loss)	28,307	(63,469)	51,402	(45,250)
Series A preferred stock dividends	(2,240)	(1,963)	(4,454)	(3,925)
Earnings allocated to Series A preferred stock	(1,640)	—	(2,930)	—
Net income (loss) attributable to common stockholders	$ 24,427	$ (65,432)	$ 44,018	$ (49,175)
Net income (loss) per share attributable to Class A and B common stockholders				
Basic	$ 0.17	$ (0.44)	$ 0.30	$ (0.32)
Diluted	$ 0.16	$ (0.44)	$ 0.29	$ (0.32)
Weighted-average shares used in computing net income (loss) per share attributable to common stockholders				
Basic	143,939,878	149,805,531	144,853,328	155,367,461
Diluted	152,957,223	149,805,531	154,228,643	155,367,461

See accompanying notes to unaudited condensed consolidated financial statements.

Lucky Strike Entertainment Corporation
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Amounts in thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Net income (loss)	$ 28,307	$ (63,469)	$ 51,402	$ (45,250)
Other comprehensive income (loss), net of income tax:				
Unrealized gain (loss) on derivatives	312	(3,110)	(397)	(3,450)
Foreign currency translation adjustment	(735)	666	(1,720)	179
Other comprehensive loss	(423)	(2,444)	(2,117)	(3,271)
Total comprehensive income (loss)	$ 27,884	$ (65,913)	$ 49,285	$ (48,521)

See accompanying notes to unaudited condensed consolidated financial statements.

Lucky Strike Entertainment Corporation
Condensed Consolidated Statements of Changes in Temporary Equity and Stockholders' (Deficit) Equity
(Amounts in thousands, except share amounts)
(Unaudited)

	Series A preferred stock		Class A common Stock		Class B common Stock		Treasury stock		Additional Paid-in capital	Accumulated deficit	Accumulated other comprehensive income	Total stockholders' equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, July 2, 2023	136,373	$ 144,329	107,666,301	$ 11	60,819,437	$ 6	11,312,302	$ (135,401)	$ 506,112	$ (219,659)	$ 4,152	$ 155,221
Net income	—	—	—	—	—	—	—	—	—	18,219	—	18,219
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(487)	(487)
Unrealized loss on derivatives	—	—	—	—	—	—	—	—	—	—	(340)	(340)
Conversion of Class B common stock into Class A common stock	—	—	2,300,000	—	(2,300,000)	—	—	—	—	—	—	—
Share-based compensation	—	—	15,489	—	—	—	—	—	1,823	—	—	1,823
Repurchase of Class A common stock into Treasury stock	—	—	(12,131,185)	(1)	—	—	12,131,185	(132,662)	—	—	—	(132,663)
Balance, October 1, 2023	**136,373**	**$ 144,329**	**97,850,605**	**$ 10**	**58,519,437**	**$ 6**	**23,443,487**	**$ (268,063)**	**$ 507,935**	**$ (201,440)**	**$ 3,325**	**$ 41,773**
Net loss	—	—	—	—	—	—	—	—	—	(63,469)	—	(63,469)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	666	666
Unrealized loss on derivatives	—	—	—	—	—	—	—	—	—	—	(3,110)	(3,110)
Share-based compensation	—	—	330,846	—	—	—	—	—	4,099	—	—	4,099
Dividends on Series A preferred stock	—	—	—	—	—	—	—	—	(3,969)	—	—	(3,969)
Repurchase of Class A common stock into Treasury stock	—	—	(7,516,855)	(1)	—	—	7,516,855	(80,962)	—	—	—	(80,963)
Balance, December 31, 2023	**136,373**	**$ 144,329**	**90,664,596**	**$ 9**	**58,519,437**	**$ 6**	**30,960,342**	**$ (349,025)**	**$ 508,065**	**$ (264,909)**	**$ 881**	**$ (104,973)**

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	Series A preferred stock		Class A common Stock		Class B common Stock		Treasury stock		Additional Paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, June 30, 2024	120,387	$ 127,410	88,854,487	$ 11	58,519,437	$ 6	34,071,295	$ (385,015)	$ 510,675	$ (303,159)	$ 220	(177,262)
Net income	—	—	—	—	—	—	—	—	—	23,095	—	23,095
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(985)	(985)
Unrealized loss on derivatives	—	—	—	—	—	—	—	—	—	—	(709)	(709)
Settlement of Series A preferred stock	(3,300)	(3,492)	269,886	—	—	—	—	—	3,492	—	—	3,492
Share-based compensation	—	—	26,656	—	—	—	—	—	4,314	—	—	4,314
Cash dividends	—	—	—	—	—	—	—	—	(8,552)	—	—	(8,552)
Repurchase of Class A common stock into Treasury stock	—	—	(702,194)	—	—	—	702,194	(7,720)	—	—	—	(7,720)
Balance, September 29, 2024	**117,087**	**$ 123,918**	**88,448,835**	**$ 11**	**58,519,437**	**$ 6**	**34,773,489**	**$ (392,735)**	**$ 509,929**	**$ (280,064)**	**$ (1,474)**	**$ (164,327)**
Net income	—	—	—	—	—	—	—	—	—	28,307	—	28,307
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(735)	(735)
Unrealized gain on derivatives	—	—	—	—	—	—	—	—	—	—	312	312
Share-based compensation	—	—	317,374	—	—	—	—	—	3,374	—	—	3,374
Cash dividends	—	—	—	—	—	—	—	—	(8,473)	—	—	(8,473)
Repurchase of Class A common stock into Treasury stock	—	—	(3,334,976)	—	—	—	3,334,976	(38,116)	—	—	—	(38,116)
Balance, December 29, 2024	**117,087**	**$ 123,918**	**85,431,233**	**$ 11**	**58,519,437**	**$ 6**	**38,108,465**	**$ (430,851)**	**$ 504,830**	**$ (251,757)**	**$ (1,897)**	**$ (179,658)**

See accompanying notes to unaudited condensed consolidated financial statements.

Lucky Strike Entertainment Corporation
Condensed Consolidated Statements of Cash Flows
(Amounts in thousands)
(Unaudited)

	Six Months Ended	
	December 29, 2024	December 31, 2023
Operating activities		
Net income (loss)	$ 51,402	$ (45,250)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	76,101	68,423
Loss on impairment and disposal of fixed assets, net	4,047	49
Income from equity method investment	(136)	(160)
Amortization of deferred financing costs	1,772	1,715
Non-cash interest expense on finance lease obligation	5,699	3,709
Reduction of operating lease right of use assets	17,893	16,586
Non-cash portion of gain on lease modification	—	(499)
Deferred income taxes	(22,013)	(7,099)
Share-based compensation	9,167	5,600
Distributions from equity method investments	127	147
Change in fair value of earnout liability	(68,603)	23,409
Changes in assets and liabilities, net of business acquisitions:		
Accounts receivable and notes receivable, net	1,197	(3,784)
Inventories	(2,014)	(2,108)
Prepaids, other current assets and other assets	(7,228)	(4,146)
Accounts payable and accrued expenses	9,601	27,600
Operating lease liabilities	(4,543)	(14,140)
Other current liabilities	(3,844)	(312)
Other long-term liabilities	(478)	1,459
Net cash provided by operating activities	68,147	71,199
Investing activities		
Purchases of property and equipment	(92,005)	(113,587)
Purchases of intangible assets	—	(259)
Proceeds from sale of property and equipment	1,655	—
Proceeds from sale of intangibles	—	65
Acquisitions, net of cash acquired	(42,864)	(132,885)
Net cash used in investing activities	(133,214)	(246,666)

	Six Months Ended	
	December 29, 2024	December 31, 2023
Financing activities		
Repurchase of Class A common stock into Treasury stock	$ (45,420)	$ (218,669)
Proceeds from share issuance	—	1,274
Payments for tax withholdings on share-based compensation	(1,454)	(925)
Payment of cash dividends	(17,024)	(3,969)
Payment of long-term debt	(3,380)	(6,525)
Proceeds from Incremental Term Loan	150,000	—
Payment on finance leases	(3,117)	(3,177)
Proceeds on finance leases	417	—
Proceeds from Revolver draws	110,000	175,000
Payoff from Revolver draws	(110,000)	(175,000)
Proceeds from sale-leaseback financing	—	408,510
Payment of deferred financing costs	(923)	(6,781)
Net cash provided by financing activities	79,099	169,738
Effect of exchange rates on cash	(249)	51
Net increase (decrease) in cash and cash equivalents	13,783	(5,678)
Cash and cash equivalents at beginning of period	66,972	195,633
Cash and cash equivalents at end of period	$ 80,755	$ 189,955

See accompanying notes to unaudited condensed consolidated financial statements.

Lucky Strike Entertainment Corporation
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Lucky Strike Entertainment Corporation
Notes to Condensed Consolidated Financial Statements
(In thousands, except share and per share data)
(Unaudited)

(1) Description of Business and Significant Accounting Policies

Lucky Strike Entertainment Corporation, a Delaware corporation, and its subsidiaries (referred to herein as, the “Company”, “Lucky Strike Entertainment”, “Lucky Strike”, “we,” “us” and “our”) is one of the world’s premier operators of location-based entertainment. Effective December 12, 2024, the company changed its name from Bowlero Corporation to Lucky Strike Entertainment Corporation and its stock ticker symbol changed from NYSE: BOWL to NYSE: LUCK, further emphasizing the brand’s evolution and commitment to offering a broader range of entertainment experiences, expanding beyond traditional bowling and positioning Lucky Strike Entertainment as a premier entertainment destination.

The Company operates location-based entertainment venues under different brand names. Our AMF and Bowl America branded locations are traditional bowling centers, while the Bowlero and Lucky Strike branded locations offer a more upscale entertainment concept with lounge seating, enhanced food and beverage offerings, and more robust customer service for individuals and group events. Additionally, within the brands, there exists a spectrum where some AMF branded locations are more upscale and some Bowlero branded locations are more traditional. The Company also operates other forms of location-based entertainment, such as Octane Raceway, Raging Waves water park, and Boomers Parks (inclusive of Big Kahuna’s water park). All of our locations, regardless of branding, are managed in a fully integrated and consistent basis because all of our locations are in the same business of operating location-based entertainment.

Basis of Presentation: The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with GAAP have been condensed or omitted. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Our quarterly financial data should be read in conjunction with the audited financial statements and notes included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

Change in Presentation: In the first quarter of fiscal year 2025, the Company made a change to its condensed consolidated statements of operations presentation in order to enhance our disclosures by disaggregating previously combined revenues and costs of revenues, reclassifying depreciation and amortization to be a separate financial statement line item, and reclassifying certain amounts to selling, general, and administrative expenses. The change in presentation will enhance the comparability of our financial statements with industry peers and present a more detailed picture of our operations. Certain prior period amounts in the condensed consolidated statements of operations have been reclassified to conform with the current period presentation. The reclassifications made had no impact to revenue, income (loss) from operations, net income (loss), earnings (loss) per share, retained earnings or other components of equity or net assets.

Principles of Consolidation: The condensed consolidated financial statements and related notes include the accounts of Lucky Strike and the subsidiaries it controls. Control is determined based on ownership rights or, when applicable, based on whether the Company is considered to be the primary beneficiary of a variable interest entity. We use the equity method to account for investments in which we have the ability to exercise significant influence over the investee’s operating and financial policies, or in which we hold a partnership or limited liability company interest in an entity with specific ownership accounts, unless we have virtually no influence over the investee’s operating and financial policies. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates: The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the balance sheets, statements of operations and accompanying notes. Significant estimates made by management include, but are not limited to, cash flow projections; the fair value of assets and liabilities in acquisitions; derivatives with hedge accounting; share-based compensation; depreciation and impairment of long-lived assets; carrying amount and recoverability analyses of property and equipment, assets held for sale, goodwill and other intangible assets; valuation of deferred tax assets and liabilities and income tax uncertainties; and reserves for litigation, claims and self-insurance costs. Actual results could differ from those estimates.

Fair-value Estimates: We have various financial instruments included in our financial statements. Financial instruments are carried in our financial statements at either cost or fair value. We estimate fair value of assets and liabilities using the following hierarchy using the highest level possible:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2: Observable prices that are based on inputs not quoted on active markets, but are corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available.

Cash and Cash Equivalents: The Company considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents. The Company accepts a range of debit and credit cards, and these transactions are generally transmitted to a bank for reimbursement within 24 hours. The payments due from the banks for these debit and credit card transactions are generally received, or settled, within 24 to 48 hours of the transmission date. The Company considers all debit and credit card transactions that settle in less than seven days to be cash equivalents.

Equity Method Investments: The aggregate carrying amounts of our equity method investments was $ 25,843 and $ 25,848 as of December 29, 2024 and June 30, 2024, respectively, and are included as a component of Other Assets in our accompanying condensed consolidated balance sheets. Substantially all of our equity method investments consist of a limited partner interest in a subsidiary of VICI Properties Inc. ("VICI"). Equity method investments are adjusted to recognize (1) our share, based on percentage ownership or other contractual basis, of the investee's net income or loss after the date of investment, (2) additional contributions made or distributions received, (3) amortization of the recorded investment that exceeds our share of the book value of the investee's net assets, and (4) impairments resulting from other-than-temporary declines in fair value. Cash distributions received from our equity method investments are considered returns on investment and presented within operating activities in the condensed consolidated statement of cash flows to the extent of cumulative equity in net income of the investee. Additional distributions in excess of cumulative equity are considered returns of our investment and are presented as investing activities.

Derivatives: We are exposed to interest rate risk. To manage this risk, we entered into interest rate collar derivative transactions associated with a portion of our outstanding debt. The interest rate collars, which are designated for accounting purposes as cash flow hedges, establish a cap and floor on the Secured Overnight Financing Rate (SOFR). The Company's interest rate collars expire on March 31, 2026.

For financial derivative instruments that are designated as a cash flow hedge for accounting purposes, the effective portion of the gain or loss on the financial derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction, and in the same period or periods during which the forecasted transaction affects earnings. Gains and losses on the financial derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

The interest rate collar agreements effectively modified our exposure to interest rate risk by converting a portion of our interest payments on floating rate debt to include a cap and floor, thus reducing the impact of interest rate changes on future interest expense. See Note 7 - *Debt* for more information.

Net Income (loss) Per Share Attributable to Common Stockholders: We compute net income (loss) per share of Class A common stock and Class B common stock under the two-class method. Holders of Class A common stock and Class B common stock have equal rights to the earnings of the Company. Our participating securities include the Series A preferred stock that have a non-forfeitable right to dividends in the event that a dividend is paid on common stock, but do not participate in losses, and thus are not included in a two-class method in periods of loss. In periods where the Company reports a net loss, all potentially dilutive securities are excluded from the calculation of the diluted net loss per share attributable to common stockholders as their effect is antidilutive and accordingly, basic and diluted net loss per share attributable to common stockholders will be the same. Dilutive securities include Series A preferred stock, earnouts, stock options, and restricted stock units ("RSUs"). See Note 14 - *Net Income (Loss) Per Share*.

Emerging Growth Company Status: The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as modified by the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with those of another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult because of the potential differences in accounting standards used.

Recently Issued Accounting Standards: In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting ("Topic 280") Improvements to Reportable Segment Disclosures, which requires public entities, including those with a single reportable segment, to provide all the disclosures required by this standard and all existing segment disclosures required by Topic 280 on an interim and annual basis, including new requirements to disclose significant segment expenses that are regularly provided to the the chief operating decision maker ("CODM"), which is our chief executive officer ("CEO") and included within the reported measure(s) of a segment's profit or loss, the amount and composition of any other segment items, the title and position of the CODM, and how the CODM uses the reported measure(s) of a segment's profit or loss to assess performance and decide how to allocate resources. Further, it requires that all annual disclosures about a reportable segment's profit or loss and assets currently required by Topic 280 be provided in interim periods. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024, applied retrospectively. We are currently evaluating the impact of this standard to our consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes ("Topic 740"): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures through the standardization and disaggregation of rate reconciliation categories and income taxes paid in both domestic and foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and is to be applied prospectively, with early adoption and retrospective application permitted. We are currently evaluating the impact of this standard to our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"), which requires the disaggregation of certain expenses in the notes of the financials, to provide enhanced transparency into the expense captions presented on the face of the income statement. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027 and may be applied either prospectively or retrospectively. We are currently evaluating the impact of this standard to our consolidated financial statements.

(2) Business Acquisitions

Acquisitions: The Company continually evaluates potential acquisitions, which can be either business combinations or asset purchases, that strategically fit within the Company's overall growth strategy in order to expand our market share in key geographic areas and to improve our ability to leverage our fixed costs.

2025 Business Acquisitions: For business combinations, the Company allocates the consideration transferred to the identifiable assets acquired and liabilities assumed based on their preliminary estimated fair values as of the acquisition date. We estimate the fair values of the assets acquired and liabilities assumed using valuation techniques, such as the income, cost and market approaches. During the six months ended December 29, 2024, the Company had two acquisitions in which we acquired eight locations for a total consideration of $ 42,864 . The Company is still in the process of finalizing its valuation analyses for the acquisitions. The remaining fair value estimates include working capital, intangibles, property and equipment, and operating lease assets and liabilities. If necessary, for business combinations, we will continue to refine our estimates throughout the permitted measurement period, which may result in corresponding offsets to goodwill. We expect to finalize the valuations as soon as possible, but no later than one year after the respective acquisition dates.

The following table summarizes the preliminary purchase price allocations for the fair values of the identifiable assets acquired and liabilities assumed, components of consideration transferred and the transactional related expenses during the six months ended December 29, 2024 using the acquisition method of accounting:

Identifiable assets acquired and liabilities assumed		Total
Current assets	$	3,688
Assets held for sale [1]		16,318
Property and equipment		35,117
Operating lease ROU		44,748
Identifiable intangible assets		3,022
Goodwill		7,308
Deferred income tax asset		1,458
Other assets		633
Total assets acquired	$	112,292
Current liabilities	$	(7,787)
Liabilities held for sale [1]		(15,698)
Operating lease liabilities		(44,860)
Other liabilities		(1,083)
Total liabilities assumed		(69,428)
Total fair value, net of cash of $ 417	$	42,864
Components of consideration transferred		
Cash	$	42,864
Total	$	42,864

(1) Certain acquired assets and assumed liabilities were designated as held for sale as of the acquisition date and sold during the six months ended December 29, 2024.

(3) Goodwill and Other Intangible Assets

Goodwill:

The changes in the carrying amount of goodwill for the period ended December 29, 2024:

Balance as of June 30, 2024	$	833,888
Goodwill resulting from acquisitions during fiscal year 2025		7,308
Adjustments to preliminary fair values for prior year acquisitions		73
Balance as of December 29, 2024	$	841,269

Intangible Assets:

	December 29, 2024			June 30, 2024		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Finite-lived intangible assets:						
AMF trade name	$ —	$ —	$ —	$ 9,900	$ (9,900)	$ —
Bowlero trade name	14,870	(2,990)	11,880	14,870	(614)	14,256
Other acquisition trade names	2,250	(1,146)	1,104	3,460	(2,276)	1,184
Customer relationships	4,055	(2,967)	1,088	24,185	(22,808)	1,377
Management contracts	300	(279)	21	1,800	(1,763)	37
Non-compete agreements	3,464	(1,737)	1,727	4,364	(2,395)	1,969
PBA member, sponsor & media relationships	1,200	(595)	605	1,400	(739)	661
Other intangible assets	754	(448)	306	921	(542)	379
	26,893	(10,162)	16,731	60,900	(41,037)	19,863
Indefinite-lived intangible assets:						
Liquor licenses	12,830	—	12,830	12,418	—	12,418
Lucky Strike trade name	8,360	—	8,360	8,360	—	8,360
Other trade names	8,410	—	8,410	6,410	—	6,410
	29,600	—	29,600	27,188	—	27,188
	$ 56,493	$ (10,162)	$ 46,331	$ 88,088	$ (41,037)	$ 47,051

The following table shows amortization expense for finite-lived intangible assets for each reporting period:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Amortization expense	$ 1,801	$ 1,760	$ 3,754	$ 3,541

(4) Property and Equipment

As of December 29, 2024 and June 30, 2024, property and equipment consists of:

	December 29, 2024	June 30, 2024
Land[(1)]	$ 118,378	$ 108,442
Building and leasehold improvements	729,465	663,537
Equipment, software, furniture, and fixtures	670,755	630,280
Construction in progress	29,730	55,343
	1,548,328	1,457,602
Accumulated depreciation	(612,474)	(569,864)
Property and equipment, net of accumulated depreciation	$ 935,854	$ 887,738

[(1)] Includes the 66 acres of land adjacent to Raging Waves water park that was purchased on December 16, 2024 for $ 9,400 .

The following table shows depreciation expense related to property and equipment for each reporting period:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Depreciation expense	$ 32,958	$ 30,932	$ 63,633	$ 56,392

(5) Leases

The Company leases various assets under non-cancellable operating and finance leases. These assets include location-based entertainment venues, office space, vehicles, and equipment.

Most of our leases contain payments for some or all of the following: base rent, contingent rent, common area maintenance, insurance, real-estate taxes, and other operating expenses. Rental payments are subject to escalation depending on future changes in designated indices or based on pre-determined amounts agreed upon at lease inception.

The following table summarizes the components of the net lease cost for each reporting period:

		Three Months Ended		Six Months Ended	
Lease Costs:	**Location on Condensed Consolidated Statements of Operations**	**December 29, 2024**	**December 31, 2023**	**December 29, 2024**	**December 31, 2023**
Operating Lease Costs: [1]					
Operating lease costs associated with master leases for locations	Primarily Location operating costs	$ 4,428	$ 4,428	$ 8,856	$ 8,856
Operating lease costs associated with non-master leases for locations	Primarily Location operating costs	15,779	13,619	30,296	24,094
Percentage rental costs for locations [2]	Primarily Location operating costs	1,931	2,233	3,057	3,386
Equipment and other operating lease costs [3]	Primarily Location operating costs	(1,043)	2,373	908	3,864
Total Operating Lease Costs:		**21,095**	**22,653**	**43,117**	**40,200**
Finance Lease Costs:					
Amortization of right-of-use assets	Depreciation and amortization	4,359	4,379	8,714	8,490
Interest expense	Interest expense, net	12,398	12,467	24,787	24,488
Total Finance Lease Costs:		**16,757**	**16,846**	**33,501**	**32,978**
Financing Obligation Costs:					
Interest expense	Interest expense, net	10,163	8,138	20,278	8,244
Total Financing Obligation Costs:		**10,163**	**8,138**	**20,278**	**8,244**
Other Costs, Net:					
Variable occupancy costs [4]	Primarily Location operating costs	19,661	14,194	38,357	29,158
Gains from modifications to operating leases	Other operating expense, net	—	—	—	(499)
Other lease costs [5]	Primarily Location operating costs	64	1,774	269	3,521
Sublease income [6]	Revenues - Amusement & other	(1,188)	(1,324)	(2,400)	(2,628)
Total Other Costs, Net		**18,537**	**14,644**	**$ 36,226**	**$ 29,552**
Total Lease Costs, Net		**$ 66,552**	**$ 62,281**	**$ 133,122**	**$ 110,974**

(1) Operating lease costs includes both cash and non-cash expenses for operating leases. The operating lease costs associated with our locations are recognized evenly over the lease term, therefore, the timing of the expense may differ from the timing of actual cash payments. Cash payments and lease costs can differ due to (a) the timing of cash payments relative to the level expense, (b)

non-cash adjustments as a result of purchase accounting, and (c) various other non-cash adjustments to lease costs. Please see the table below for cash paid for amounts included within our lease liabilities.

(2) Percentage rental costs for our locations primarily represents leases where we pay an extra rental amount based on a percentage of revenue in excess of predetermined revenue thresholds.

(3) Equipment and other operating lease costs primarily represents operating leases costs for equipment leases, common area maintenance charges, rent relief from the impacts of COVID-19, and other variable lease costs for operating leases where the lease payments escalate based on an index or rate.

(4) Variable occupancy costs primarily represents utilities, property insurance, and real estate taxes.

(5) Other lease costs primarily includes short-term lease costs and other variable payments for various equipment leases.

(6) Sublease income primarily represents short-term leases with pro-shops and various retail tenants.

Cash paid for amounts included in the measurement of lease liabilities for the six months ended December 29, 2024:

	Six Months Ended	
	December 29, 2024	**December 31, 2023**
Cash paid for amounts included in the measurement of lease liabilities [1]		
Operating leases:		
Operating cash flows paid for operating leases	$ 33,059	$ 31,690
Total cash paid for operating lease liabilities	33,059	31,690
Finance leases:		
Operating cash flows paid for interest portion of finance leases	23,213	22,398
Financing cash flows paid for principal portion of finance leases	3,108	3,165
Total cash paid for finance lease liabilities	26,321	25,563
Financing Obligations:		
Operating cash flows paid for interest portion of financing obligations	16,135	6,610
Financing cash flows paid for principal portion of finance obligations	9	—
Total cash paid for financing obligations:	16,144	6,610
Total cash amounts paid that are included in the measurement of lease liabilities: [2]	$ 75,524	$ 63,863

(1) This table includes cash paid for amounts included in the measurement of our lease liabilities. Since the lease liability only includes amounts that are contractually fixed, this table excludes cash paid for amounts that are variable in nature, such as utilities, common area maintenance, property insurance, real estate taxes, and percentage rent.

(2) For the period ended December 29, 2024, total cash amounts within the above table include deferred repayments of $ 2,013 for operating leases and $ 4,341 for finance leases. For the period ended December 31, 2023, total cash amounts within the above table include deferred repayments of $ 2,162 for operating leases and $ 4,663 for finance leases. As of December 29, 2024, there were no deferred payments remaining.

Supplemental balance sheet information related to leases as of December 29, 2024:

	Condensed Consolidated Balance Sheets Location	December 29, 2024	June 30, 2024
Operating leases:			
ROU Assets, net	Operating lease ROU assets, net	$ 591,264	$ 559,168
Lease liabilities, Short-term	Operating lease liabilities, ST	31,637	28,460
Lease liabilities, Long-term	Operating lease liabilities, LT	603,986	561,916
Finance leases:			
ROU Assets, net	Finance lease ROU assets, net	516,144	524,392
Lease liabilities, Short-term	Other current liabilities	1,010	1,954
Lease liabilities, Long-term	Finance lease liabilities, LT	680,622	680,213
Financing Obligations:			
Financing obligation, long-term	Long-term financing obligations	445,027	440,875

Lease incentive receivables from landlords of $ 6,505 and $ 15,311 as of December 29, 2024 and June 30, 2024, respectively, are reflected as a reduction of the operating and finance lease liability. The Company received $ 8,389 from landlords for lease incentives on operating leases and $ 417 for lease incentives on finance leases during the six months ended December 29, 2024. Lease incentives for operating leases are all recorded as operating cash inflows within the change in operating lease liabilities within our condensed consolidated statement of cash flows. The lease incentives received for finance leases are recorded as cash inflows for financing activities.

(6) Accounts Payable and Accrued Expenses

As of December 29, 2024 and June 30, 2024, accounts payable and accrued expenses consist of:

	December 29, 2024	June 30, 2024
Accounts payable	$ 31,675	$ 50,457
Customer Deposits	25,443	14,006
Taxes and licenses	17,022	17,840
Compensation	12,850	13,768
Deferred revenue	12,697	15,976
Insurance	10,115	7,401
Interest	8,672	1,113
Utilities	4,121	5,475
Professional fees	3,096	4,090
Other	15,672	5,658
Total accounts payable and accrued expenses	$ 141,363	$ 135,784

(7) Debt

The following table summarizes the Company’s debt structure as of December 29, 2024 and June 30, 2024:

	December 29, 2024	June 30, 2024
First Lien Credit Facility Term Loan (Maturing February 8, 2028 and bearing variable rate interest; 8.07 % and 8.80 % at December 29, 2024 and June 30, 2024, respectively)	$ 1,285,625	$ 1,138,500
Other Equipment Loans	13,195	13,700
	1,298,820	1,152,200
Less:		
Unamortized financing costs	(12,785)	(13,514)
Current portion of unamortized financing costs	3,797	3,361
Current maturities of long-term debt	(14,075)	(12,524)
Total long-term debt	$ 1,275,757	$ 1,129,523

Term Loan: Under the Company’s First Lien Credit Agreement, as amended (the “First Lien Credit Agreement”), the Company has made term loans consisting of $ 1,150,000 of aggregate initial principal amount of debt outstanding (the “Term Loan”). The Term Loan matures on February 8, 2028 and is repaid on a quarterly basis in principal payments of $ 2,875 , which began on September 29, 2023. The Term Loan bears interest at a rate per annum equal to the Adjusted Term SOFR plus 3.50 %. Interest is due on the last day of the interest period. The interest period, as agreed upon between the Company and its lender, can be either one, three, or six months in length. As of December 29, 2024, the interest period is one month .

On December 17, 2024, the Company entered into a Twelfth Amendment (the “Twelfth Amendment”) to the First Lien Credit Agreement. The Twelfth Amendment provided for an incremental term loan in the amount of $ 150,000 . In addition, the Twelfth Amendment increased the quarterly principal payments beginning on December 31, 2024 from $ 2,875 to $ 3,255 . Proceeds from the Twelfth Amendment were used to repay all amounts outstanding on the Revolver and for general corporate purposes. The Company accounted for this transaction as a debt modification, which was not substantial. Therefore, the Company did not incur any gain or loss relating to the modification.

Revolver: Under the First Lien Credit Agreement, the Company has access to a senior secured revolving credit facility (the “Revolver”). As of December 29, 2024, the Revolver commitment is $ 335,000 , which was increased by $ 50,000 in connection with the Company entering into an Eleventh Amendment to the First Lien Credit Agreement on August 23, 2024. Any outstanding balance on the Revolver is due on December 15, 2026. Interest on borrowings under the Revolver is based on the Adjusted Term SOFR.

First Lien Credit Agreement Covenants: Obligations owed under the First Lien Credit Agreement are secured by a first priority security interest on substantially all assets of Lucky Strike. and the guarantor subsidiaries. The First Lien Credit Agreement contains customary events of default, restrictions on indebtedness, liens, investments, asset dispositions, dividends and affirmative and negative covenants. The Company is subject to a financial covenant requiring that the First Lien Leverage Ratio (as defined in the First Lien Credit Agreement) not exceed 6.00 :1.00 as of the end of any fiscal quarter if amounts outstanding on the Revolver exceed an amount equal to 35 % of the aggregate Revolver commitment (subject to certain exclusions) at the end of such fiscal quarter. In addition, payment of borrowings under the Revolver may be accelerated if there is an event of default, and Lucky Strike would no longer be permitted to borrow additional funds under the Revolver while a default or event of default were outstanding.

Letters of Credit: Outstanding standby letters of credit as of December 29, 2024 and June 30, 2024 totaled $ 18,584 and $ 15,834 , respectively, and are guaranteed by JP Morgan Chase Bank, N.A. The available amount of the Revolver is reduced by the outstanding standby letters of credit.

Other Equipment Loan: On August 19, 2022, the Company entered into an equipment loan agreement for a principal amount of $ 15,350 with JP Morgan Chase Bank, N.A.. The loan matures August 19, 2029 and bears a fixed interest rate of 6.24 %. The loan is repaid on a monthly basis in fixed payments of $ 153 plus a final payment at maturity. The loan obligation is secured by a lien on the equipment.

Covenant Compliance: The Company was in compliance with all debt covenants as of December 29, 2024.

Interest rate collars: The Company entered into two interest rate collars effective as of March 31, 2023 for an aggregate notional amount of our Term Loan of $ 800,000 . The collar hedging strategy stabilizes interest rate fluctuations by setting both a floor and a cap. The hedge transactions have a trade and hedge designation date of April 4, 2023. The hedge transactions, each for a notional amount of $ 400,000 , provide for interest rate collars. The interest rate collars establish a floor on SOFR of 0.9429 % and 0.9355 %, respectively, and a cap on SOFR of 5.50 %. The interest rate collars have a maturity date of March 31, 2026.

The fair value of the collar agreements as of December 29, 2024 and June 30, 2024 was an asset of $ 151 and $ 696 , respectively, and is included within the condensed consolidated balance sheets.

Since SOFR was within the collar cap and floor rates, there was no interest impact on the condensed consolidated statement of operations.

(8) Income Taxes

The Company uses the estimated annual effective tax rate method for calculating its tax provision in interim periods, which represents the Company's best estimate of the effective tax rate expected for the full year. Certain items, including those deemed to be unusual, infrequent or that cannot be reliably estimated (discrete items), are excluded from the estimated annual effective tax rate, and the related tax expense or benefit is reported in the same period as the related item. The Company’s effective tax rate for the six months ended December 29, 2024 was (70)%, which differs from the US federal statutory rate of 21% primarily due to the change in fair value of the earnout liability, permanent differences, and other discrete tax items. The Company’s effective tax rate for the six months ended December 31, 2023 was 14 % tax benefit and differs from the US federal statutory rate of 21% due to income recognized in the period for book purposes associated with the change in fair value of the earnout liability which is treated as a discrete tax item and not included as taxable income.

(9) Commitments and Contingencies

From time to time, we are involved in various inquiries, investigations, claims, lawsuits and other legal proceedings that are incidental to the conduct of our business. These matters typically involve claims from customers, employees or other third parties involved in operational issues common to the retail, restaurant and entertainment industries. Such matters typically represent actions with respect to contracts, intellectual property, taxation, employment, employee benefits, personal injuries and other matters. A number of such claims may exist at any given time and there are currently a number of claims and legal proceedings pending against us. While it is not feasible to predict the outcome of all claims and legal proceedings and exposures with certainty, management believes that their ultimate disposition should not have a material adverse effect on the Company’s consolidated financial position, results of operations or cash flows.

(10) Earnouts

There were 11,418,357 unvested earnout shares outstanding as of December 29, 2024 and June 30, 2024.

The outstanding unvested earnout shares will vest if the closing share price of Lucky Strike’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 from December 15, 2021 through December 15, 2026.

All but 41,364 earnout shares are classified as a liability and changes in the fair value of the earnout shares are recognized in the statement of operations. Those earnout shares not classified as a liability are classified as equity compensation to employees and recognized as compensation expense on a straight-line basis over the expected term or upon the contingency being met.

See Note 11 - *Fair Value of Financial Instruments* for a summary of changes in the estimated fair value of the earnout shares for the period ended December 29, 2024 and December 31, 2023.

(11) Fair Value of Financial Instruments

Debt

The fair value and carrying value of our debt as of December 29, 2024 and June 30, 2024 are as follows:

	December 29, 2024	June 30, 2024
Carrying value	$ 1,298,820	$ 1,152,200
Fair value	1,303,641	1,152,200

The fair value of our debt is estimated based on trading levels of lenders buying and selling their participation levels of funding (Level 2).

There were no transfers in or out of any of the levels of the valuation hierarchy during the six months ended December 29, 2024 and the fiscal year ended June 30, 2024.

Items Measured at Fair Value on a Recurring Basis

The Company holds certain assets and liabilities that are required to be measured at fair value on a recurring basis. The following table is a summary of fair value measurements and hierarchy level as of December 29, 2024 and June 30, 2024:

	December 29, 2024			
	Level 1	Level 2	Level 3	Total
Interest rate collars	$ —	$ 151	$ —	$ 151
Total assets	$ —	$ 151	$ —	$ 151
Earnout shares	$ —	$ —	$ 69,058	$ 69,058
Total liabilities	$ —	$ —	$ 69,058	$ 69,058

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Interest rate collars	$ —	$ 696	$ —	$ 696
Total assets	$ —	$ 696	$ —	$ 696
Earnout shares	$ —	$ —	$ 137,636	$ 137,636
Total liabilities	$ —	$ —	$ 137,636	$ 137,636

The fair value of earnout shares was estimated using a Monte Carlo simulation model (level 3 inputs). The key inputs into the Monte Carlo simulation as of December 29, 2024 were as follows:

	Earnout
Expected term in years	1.96
Expected volatility	50 %
Risk-free interest rate	4.31 %
Stock price	$ 10.78
Dividend yield	2.04 %

The following table sets forth a summary of changes in the estimated fair value of the Company's Level 3 Earnout liability for the three and six months ended December 29, 2024 and December 31, 2023:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Balance as of beginning of period	$ 88,741	$ 71,364	$ 137,635	$ 112,041
Issuances	—	24	26	29
Changes in fair value	* (19,683)	64,091	(68,603)	23,409
Balance as of end of period	$ 69,058	$ 135,479	$ 69,058	$ 135,479

*Amount has been adjusted due to rounding.

Other Financial Instruments

Other financial instruments include cash and cash equivalents, accounts and notes receivable, accounts payable and accrued expenses. The financial statement carrying amounts of these items approximate the fair value due to their short duration.

(12) Common Stock, Preferred Stock and Stockholders' Equity

The Company is authorized to issue three classes of stock to be designated, respectively, Class A common stock, Class B common stock (together with Class A common stock, the "Common Stock") and Series A preferred stock (the "Preferred Stock"). The total number of shares of capital stock which the Company shall have authority to issue is 2,400,000,000 , divided into the following:

Class A common stock:

- Authorized: 2,000,000,000 shares, with a par value of $ 0.0001 per share as of December 29, 2024 and June 30, 2024.
- Issued and Outstanding: 85,431,233 shares (inclusive of 1,582,805 shares contingent on certain stock price thresholds but excluding 38,108,465 shares held in treasury) as of December 29, 2024 and 88,854,487 shares (inclusive of 1,584,805 shares contingent on certain stock price thresholds but excluding 34,071,295 shares held in treasury) as of June 30, 2024.

Class B common stock:

- Authorized: 200,000,000 shares, with a par value of $ 0.0001 per share as of December 29, 2024 and June 30, 2024.
- Issued and Outstanding: 58,519,437 shares as of December 29, 2024 and June 30, 2024.

Preferred Stock:

- Authorized: 200,000,000 shares, with a par value of $ 0.0001 per share as of December 29, 2024 and June 30, 2024.
- Issued and Outstanding: 117,087 and 120,387 shares as of December 29, 2024 and June 30, 2024, respectively.

Series A Preferred Stock

Dividends accumulate on a cumulative basis on a 360-day year commencing from the issue date. The dividend rate is fixed at 5.5 % per annum on a liquidation preference of $ 1,000 per share. Payment dates are June 30 and December 31 of each year with a record date of June 15 for the June 30 payment date and December 15 for the December 31 payment date. Declared dividends will be paid in cash if the Company declares the dividend to be paid in cash. If the Company does not pay all or any portion of the dividends that have accumulated as of any payment date, then the dollar amount of the dividends not paid in cash will be added to the liquidation preference and deemed to be declared and paid in-kind. For the six months ended December 29, 2024, no accumulated dividends were added to the liquidation preference and deemed to be declared and paid in-kind. For the six months ended December 29, 2024, dividends in the amount of $ 3,389 were accumulated on the Preferred Stock.

During the six months ended December 29, 2024, 3,300 shares of Series A Preferred Stock were converted into 269,886 shares of Class A Common Stock. All of the shares of converted Series A Preferred Stock were then cancelled in accordance with the Preferred Stock Certificate of Designations.

Stock Dividend

Common stock dividends paid during the six months ended December 29, 2024 is as follows:

Declaration Date	Record Date	Payment Date	Amount [1]
August 5, 2024	August 23, 2024	September 6, 2024	$ 8,552
November 4, 2024	November 22, 2024	December 6, 2024	8,411
			$ 16,963

(1) Amounts include dividends paid to holders of Series A preferred stock on an as-converted basis. The amounts do not reflect amounts paid for accrued dividends on previously unvested share-based awards or amounts accrued for currently unvested share-based awards.

On February 5, 2025, the Company's Board of Directors declared a regular quarterly cash dividend of $ 0.055 per share of common stock, which will be paid on March 7, 2025, to stockholders of record on February 21, 2025.

Share Repurchase Program

On February 7, 2022, the Company announced that its Board of Directors authorized a share repurchase program providing for repurchases of up to $ 200,000 of the Company's outstanding Class A common stock through February 3, 2024. On each of May 15, 2023, September 6, 2023 and February 2, 2024, the Board of Directors authorized a replenishment of then-remaining balance of the share repurchase program to $ 200,000 , which in aggregate increased the total amount that has been authorized under the share repurchase program to approximately $ 551,518 . On February 2, 2024, the Board of Directors extended the share repurchase program indefinitely. Treasury stock purchases are stated at cost and presented as a reduction of equity on the condensed consolidated balance sheets. Repurchases of shares are made in accordance with applicable securities laws and may be made from time to time in the open market or by negotiated transactions. The amount and timing of repurchases are based on a variety of factors, including stock price, regulatory limitations, debt agreement limitations, and other market and economic factors. The share repurchase program does not require the Company to repurchase any specific number of shares, and the Company may terminate the repurchase program at any time.

As of December 29, 2024, the remaining balance of the repurchase program was $ 118,941 . For the six months ended December 29, 2024, 4,037,170 shares of Class A common stock were repurchased for a total of $ 45,420 , for an average purchase price per share of $ 11.25 .

(13) Share-Based Compensation

The Company has two stock plans: the Lucky Strike Entertainment Corporation 2021 Omnibus Incentive Plan ("2021 Plan") and the Lucky Strike Entertainment Corporation Employee Stock Purchase Plan ("ESPP"). These stock incentive plans are designed to attract and retain key personnel by providing them the opportunity to acquire an equity interest in the Company and align the interest of key personnel with those of the Company's stockholders.

As of December 29, 2024 and June 30, 2024, the total compensation cost not yet recognized is as follows:

	Award Plan	December 29, 2024	June 30, 2024
Stock options	2021 Plan	$ 16,360	$ 19,416
Service based RSUs	2021 Plan	7,087	5,395
Market and service based RSUs	2021 Plan	7,485	502
Earnout RSUs	2021 Plan	127	168
ESPP	ESPP	—	319
Total unrecognized compensation cost		$ 31,059	$ 25,800

Share-based compensation recognized in the condensed consolidated statements of operations for the periods ended December 29, 2024 and December 31, 2023 is as follows:

		Three Months Ended		Six Months Ended	
	Award Plan	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Stock options	2021 Plan	$ 2,762	$ 2,495	$ 5,526	$ 3,164
Service based RSUs	2021 Plan	1,299	949	2,376	1,863
Market and service based RSUs	2021 Plan	524	141	644	311
Earnout RSUs	2021 Plan	16	15	24	35
Other stock-based awards	2021 Plan	—	—	440	—
ESPP	ESPP	63	89	157	227
Total share-based compensation expense		$ 4,664	$ 3,689	$ 9,167	$ 5,600

The Company did not have any recognized income tax benefits, net of valuation allowances, related to our share-based compensation plans.

(14) Net Income (Loss) Per Share

The computation of basic and diluted net income (loss) per share of Class A common stock and Class B common stock is as follows:

	Three Months Ended - Basic					
	December 29, 2024			December 31, 2023		
	Class A	Class B	Total	Class A	Class B	Total
Numerator						
Net income (loss) allocated to common stockholders	$ 14,496	$ 9,931	$ 24,427	$ (39,872)	$ (25,560)	$ (65,432)
Denominator						
Weighted-average shares outstanding	85,420,441	58,519,437	143,939,878	91,286,094	58,519,437	149,805,531
Net income (loss) per share, basic	$ 0.17	$ 0.17	$ 0.17	$ (0.44)	$ (0.44)	$ (0.44)

	Three Months Ended - Diluted					
	December 29, 2024			December 31, 2023		
	Class A	Class B	Total	Class A	Class B	Total
Numerator						
Net income (loss) allocated to stockholders	14,496	9,931	24,427	(39,872)	(25,560)	(65,432)
Denominator						
Weighted-average shares outstanding	85,420,441	58,519,437	143,939,878	91,286,094	58,519,437	149,805,531
Impact of incremental shares	3,063,361	5,953,984	9,017,345	*	*	*
Total	88,483,802	64,473,421	152,957,223	91,286,094	58,519,437	149,805,531
Net income (loss) per share, diluted	$ 0.16	$ 0.15	$ 0.16	$ (0.44)	$ (0.44)	$ (0.44)
Anti-dilutive shares excluded from diluted calculation*						18,837,614

*The impact of potentially dilutive convertible Preferred Stock, service based RSUs, market and service based RSUs, stock options, and purchases of shares under our ESPP were excluded from the diluted per share calculations because they would have been antidilutive.

	Six Months Ended - Basic					
	December 29, 2024			December 31, 2023		
	Class A	Class B	Total	Class A	Class B	Total
Numerator						
Net income (loss) allocated to common stockholders	$ 26,235	$ 17,783	$ 44,018	$ (30,298)	$ (18,877)	$ (49,175)
Denominator						
Weighted-average shares outstanding	86,333,891	58,519,437	144,853,328	95,723,299	59,644,162	155,367,461
Net income (loss) per share, basic	$ 0.30	$ 0.30	$ 0.30	$ (0.32)	$ (0.32)	$ (0.32)

	Six Months Ended - Diluted					
	December 29, 2024			December 31, 2023		
	Class A	Class B	Total	Class A	Class B	Total
Numerator						
Net income (loss) allocated to stockholders	26,235	17,783	44,018	(30,298)	(18,877)	(49,175)
Denominator						
Weighted-average shares outstanding	86,333,891	58,519,437	144,853,328	95,723,299	59,644,162	155,367,461
Impact of incremental shares	3,145,383	6,229,932	9,375,315	*	*	*
Total	89,479,274	64,749,369	154,228,643	95,723,299	59,644,162	155,367,461
Net income (loss) per share, diluted	$ 0.29	$ 0.27	$ 0.29	$ (0.32)	$ (0.32)	$ (0.32)
Anti-dilutive shares excluded from diluted calculation*						18,772,390

*The impact of potentially dilutive convertible Preferred Stock, service based RSUs, market and service based RSUs, stock options, and purchases of shares under our ESPP were excluded from the diluted per share calculations because they would have been antidilutive.

The impact from incremental shares for our diluted per share calculation is as follows:

	Three Months Ended					
	December 29, 2024			December 31, 2023		
	Class A	Class B	Total	Class A	Class B	Total
Service based RSUs	802,501	—	802,501	465,128	—	465,128
Market and service based RSUs	510,861	—	510,861	219,225	—	219,225
Stock options	1,601,964	5,953,984	7,555,948	1,456,756	5,441,659	6,898,415
ESPP	148,035	—	148,035	—	—	—
Series A Preferred Stock	—	—	—	11,254,846	—	11,254,846
Total	3,063,361	5,953,984	9,017,345	13,395,955	5,441,659	18,837,614

	Six Months Ended					
	December 29, 2024			December 31, 2023		
	Class A	Class B	Total	Class A	Class B	Total
Service based RSUs	802,501	—	802,501	465,128	—	465,128
Market and service based RSUs	510,861	—	510,861	219,225	—	219,225
Stock options	1,683,986	6,229,932	7,913,918	1,458,739	5,449,066	6,907,805
ESPP	148,035	—	148,035	—	—	—
Series A Preferred Stock	—	—	—	11,180,232	—	11,180,232
Total	3,145,383	6,229,932	9,375,315	13,323,324	5,449,066	18,772,390

(15) Supplemental Cash Flow Information

	December 29, 2024	December 31, 2023
Cash paid during the period for:		
Interest [(1)]	$ 83,344	$ 81,940
Income taxes, net of refunds	1,814	2,424
Noncash investing and financing transactions:		
Capital expenditures in accounts payable	14,977	19,885
Change in fair value of interest rate swap, net of tax	(397)	(3,450)
Excise tax	415	2,073

(1) Includes cash paid for the interest portion on finance leases and financing obligations. See Note 5 -*Leases* for supplementary information relating to leasing transactions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with Lucky Strikes Entertainment's unaudited condensed consolidated financial statements and the related notes in Item 1 and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024 as filed with the Securities and Exchange Commission ("SEC") on September 5, 2024. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024. Actual results may differ materially from those contained in any forward-looking statements. All period references are to our fiscal periods unless otherwise indicated. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we," "us," "our," the "Company," and "Lucky Strike" are intended to mean the business and operations of Lucky Strike Entertainment and its consolidated subsidiaries. All financial information in this section is presented in thousands, unless otherwise noted, except share and per share amounts.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements regarding, among other things, the plans, strategies and prospects, both business and financial of Lucky Strike. These statements are based on the beliefs and assumptions of our management. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that it will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. The words "anticipates," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predicts," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements about our business strategy, financial projections, anticipated growth and market opportunities.

These forward-looking statements are based on information available as of the date of this Quarterly Report on Form 10-Q, and current expectations, forecasts and assumptions, and involve a number of risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

In addition, statements that we "believe," and similar statements reflect only our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and these statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Factors that could cause our actual results to differ include those described under the heading "*Risk Factors*" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

Overview

Lucky Strike Entertainment is one of the world's premier operators of location-based entertainment. The Company operates traditional bowling locations and more upscale entertainment concepts with lounge seating, arcades, enhanced food and beverage offerings, and more robust customer service for individuals and group events, as well as hosting and overseeing professional and non-professional bowling tournaments and related broadcasting. The Company also operates other forms of location-based entertainment, such as Octane Raceway, Raging Waves water park, and Boomers Parks (inclusive of Big Kahuna's water park).

The Company remains focused on creating long-term shareholder value through continued organic growth, the conversion and upgrading of locations to more upscale entertainment concepts offering a broader range of offerings, the opening of new locations and acquisitions.

Recent Developments

Lucky Strike's results for the six months ended December 29, 2024 exhibited the expected total revenue growth and shift of focus to internal initiatives while also increasing liquidity in anticipation of what we believe will be an increased acquisition environment during the 2025 fiscal year to further diversify our location based entertainment offerings. To highlight the Company's recent activity during the six months ended December 29, 2024:

- We reported total revenue growth of 5% despite an unfavorable calendar shift.
- We effected the rebranding of the Company from Bowlero to Lucky Strike Entertainment.
- We completed and opened four newly built Lucky Strike locations in prime markets with two others underway.
- We completed the acquisitions of Boomers Parks and Spectrum Entertainment Complex to further enhance our location-based entertainment offerings.
- We acquired 66 acres of land adjacent to Raging Waves water park for further expansion.
- We increased our term loan by $150,000.

Trends

There are a number of factors that could materially affect our future profitability, including changing economic conditions with the resulting impact on our sales, profitability, and capital spending, changes in our debt levels and applicable interest rates, and increasing prices of labor and inventory, which includes food and beverage costs. Additionally, sales and results of operations could be impacted by acquisitions and restructuring projects. Restructuring can include various projects, including closure of locations not performing well, cost reductions through staffing reductions, and optimizing and allocating resources to improve profitability.

Our operating results fluctuate seasonally and may also be affected by calendar shifts of holiday or seasonal periods. We typically generate our highest sales volumes during the third quarter of each fiscal year due to the timing of leagues, holidays and changing weather conditions. School operating schedules, holidays and weather conditions may also affect our sales volumes in some operating regions differently than others. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for our full fiscal year.

Presentation of Results of Operations

The Company reports on a fiscal year, with each quarter generally comprised of one 5-week period and two 4-week periods.

Results of Operations

Three Months Ended December 29, 2024 Compared to the Three Months Ended December 31, 2023

Analysis of Consolidated Statement of Operations. The following table displays certain items from our condensed consolidated statements of operations for the periods presented below:

	Three Months Ended					
	December 29, 2024	%[1]	December 31, 2023	%[1]	Change	% Change
Revenues						
Bowling	$ 138,967	46 %	$ 145,295	48 %	$ (6,328)	(4) %
Food & beverage	110,902	37 %	111,192	36 %	(290)	— %
Amusement & other	50,205	17 %	49,184	16 %	1,021	2 %
Total revenues	300,074	100 %	305,671	100 %	(5,597)	(2) %
Costs and expenses						
Location operating costs, excluding depreciation and amortization	82,694	28 %	78,837	26 %	3,857	5 %
Location payroll and benefit costs	70,876	24 %	77,742	25 %	(6,866)	(9) %
Location food and beverage costs	23,225	8 %	23,920	8 %	(695)	(3) %
Selling, general and administrative expenses, excluding depreciation and amortization	34,384	11 %	35,835	12 %	(1,451)	(4) %
Depreciation and amortization	39,118	13 %	37,071	12 %	2,047	6 %
Loss on impairment and disposal of fixed assets, net	2,575	1 %	50	— %	2,525	*
Other operating expense, net	329	— %	2,739	1 %	(2,410)	(88) %
Total costs and expenses	253,201	84 %	256,194	84 %	(2,993)	(1) %
Operating income	46,873	16 %	49,477	16 %	(2,604)	(5) %
Other (income) expenses						
Interest expense, net	48,795	16 %	46,236	15 %	2,559	6 %
Change in fair value of earnout liability	(19,682)	(7)%	64,091	21 %	(83,773)	*
Other expense	800	— %	10	— %	790	*
Total other expense	29,913	10 %	110,337	36 %	(80,424)	(73) %
Income (loss) before income tax benefit	16,960	6 %	(60,860)	(20)%	77,820	*
Income tax benefit	(11,347)	(4)%	2,609	1 %	(13,956)	*
Net income (loss)	$ 28,307	9 %	$ (63,469)	(21)%	91,776	*

[1] Percent calculated as a percentage of revenues and may not total due to rounding.

*Represents a change equal to or in excess of 100% or one that is not meaningful.

Revenues: For the quarter ended December 29, 2024, revenues totaled $300,074 and represented a slight decrease of $5,597, or 2%, over the same period of last fiscal year. The slight decrease in revenues is primarily attributable to a decline in revenues on a same-store basis, which was partially offset by an increase in revenue from newly acquired or leased locations.

The following table summarizes our revenues on a same-store-basis for the quarter ended December 29, 2024 as compared to the corresponding period last fiscal year:

	Three Months Ended			
(in thousands)	**December 29, 2024**	**December 31, 2023**	**Change**	**% Change**
Revenues on a same-store basis [1]	$ 280,530	$ 299,065	$ (18,535)	(6) %
Revenues for media, new and closed locations	19,000	4,973	14,027	*
Service fee revenue [2]	544	1,633	(1,089)	(67) %
Total revenues	$ 300,074	$ 305,671	$ (5,597)	(2) %

[1] Revenues from 347 locations are included in the same-store comparable location base for the comparison in the above table. In our previously filed Form 10-Q for the three months ended December 31, 2023, revenues from 315 locations were included in the same-store revenue.

[2] Service fee revenue is a mandatory gratuity passed through to the employee, which is a non-contributor to earnings and is being phased out across our locations.

*Represents a change equal to or in excess of 100% or one that is not meaningful.

Same-store revenues includes revenue from locations that are open in periods presented (open in both the current period and the prior period being reported) and excludes revenues from locations that are not open in periods presented such as acquired new locations or locations closed for upgrades, renovations or other such reasons, as well as media revenues and service fee revenues. The decrease in same-store revenues during the quarter ended December 29, 2024 was primarily attributable to a reduction in group events business relative to the consumer environment during the same period of last fiscal year. In addition, revenues on a same-store basis were impacted by an unfavorable calendar shift.

Location operating costs: Location operating costs primarily consist of rent, utilities, insurance, repairs & maintenance, property taxes, supplies, marketing, and other costs associated with Company locations. Location operating costs include both fixed and variable components and therefore do not directly correlate with revenue.

Location operating costs increased $3,857, or 5%. Increases in costs were in various areas including amusement costs, advertising, property taxes, insurance, and utilities. The increase in costs was mainly attributable to location count growth from acquisitions and lease agreements. For instance, Raging Waves water park and Boomers Parks location operating costs contributed $5,000 to the increase. The increase in costs were partially offset by cost management initiatives with reductions noted in supplies and repairs and maintenance. Location operating costs as a percent of revenues increased from 26% during the second quarter of fiscal 2024 to 28% during the second quarter of fiscal 2025, mainly due to the aforementioned location count growth and fixed costs.

Location payroll and benefit costs: Location payroll and benefit costs consist of employee costs that directly support location operations. Location payroll and benefit costs decreased $6,866, or 9%. The decrease in location payroll and benefit costs reflects the impact of the ongoing staffing optimization initiative. This is further illustrated by the decrease as a percent of revenues from 25% during the second quarter of fiscal 2024 to 24% during the second quarter of fiscal 2025. The decrease driven by staffing optimization was partially offset by location count growth. For instance, Raging Waves water park and Boomers Parks added $2,600 of location payroll and benefit costs.

Location food & beverage costs: Location food & beverage costs decreased $695, or 3%. The decrease in location food & beverage costs is mainly attributable to decreased food & beverage revenue as compared to the second quarter of fiscal 2024.

Selling, general and administrative expenses ("SG&A"): SG&A expenses decreased $1,451 or 4%. The decrease is mainly attributable to a decrease in professional fees, which was partially offset by an increase in share-based compensation expense. The decrease in professional fees is mainly attributable to less acquisition activity as compared to the second quarter of fiscal 2024 and cost management initiatives at corporate. The cost management initiatives at corporate have also resulted in decreased payroll expense as compared to the same period of the prior fiscal year. The increase in share-based compensation expense is mainly attributable to less forfeiture activity as compared to the second quarter of fiscal 2024 coupled with an increase in share-based awards granted during the second quarter of fiscal 2025.

Depreciation and amortization: Depreciation and amortization increased $2,047 or 6%. The increase in depreciation and amortization reflects the added depreciable assets, finite-lived intangible assets, and finance leases through acquisitions and capital expenditures.

Interest expense, net: Interest expense primarily relates to interest on debt, finance leases, and financing obligations. Interest expense increased $2,559, or 6%. The higher interest expense is primarily the result of an added financing obligation within the second quarter of fiscal 2024 coupled with lower interest income as compared to the second quarter of fiscal 2024.

Change in fair value of earnouts: The impact on the statement of operations during the quarter ended December 29, 2024 is due to the decrease in the fair value of the earnouts, which mainly reflects the decrease in the Company's stock price in the current quarter.

Income Taxes: Income tax expense and deferred tax assets and liabilities reflect management's assessment of the Company's tax position. The effective tax rate of (67)% for the quarter ended December 29, 2024 was primarily attributed to the change in fair value of the earnout liability, and permanent differences.

Six Months Ended December 29, 2024 Compared to the Six Months Ended December 31, 2023

Analysis of Consolidated Statement of Operations. The following table displays certain items from our condensed consolidated statements of operations for the periods presented below:

	Six Months Ended					
	December 29, 2024	%(1)	December 31, 2023	%(1)	Change	% Change
Revenues						
Bowling	$ 261,170	47 %	$ 261,725	49 %	$ (555)	— %
Food & beverage	198,941	36 %	186,105	35 %	12,836	7 %
Amusement & other	100,158	18 %	85,246	16 %	14,912	17 %
Total revenues	560,269	100 %	533,076	100 %	27,193	5 %
Costs and expenses						
Location operating costs, excluding depreciation and amortization	168,922	30 %	152,210	29 %	16,712	11 %
Location payroll and benefit costs	138,312	25 %	140,796	26 %	(2,484)	(2) %
Location food and beverage costs	43,755	8 %	40,605	8 %	3,150	8 %
Selling, general and administrative expenses, excluding depreciation and amortization	69,195	12 %	73,959	14 %	(4,764)	(6) %
Depreciation and amortization	76,101	14 %	68,423	13 %	7,678	11 %
Loss on impairment and disposal of fixed assets, net	4,047	1 %	49	— %	3,998	*
Other operating expense, net	118	— %	2,201	— %	(2,083)	(95) %
Total costs and expenses	500,450	89 %	478,243	90 %	22,207	5 %
Operating income	59,819	11 %	54,833	10 %	4,986	9 %
Other (income) expenses						
Interest expense, net	97,465	17 %	83,685	16 %	13,780	16 %
Change in fair value of earnout liability	(68,603)	(12)%	23,409	4 %	(92,012)	*
Other expense	800	— %	63	— %	737	*
Total other expense	29,662	5 %	107,157	20 %	(77,495)	(72) %
Income (loss) before income tax benefit	30,157	5 %	(52,324)	(10)%	82,481	*
Income tax benefit	(21,245)	(4)%	(7,074)	(1)%	(14,171)	*
Net income (loss)	$ 51,402	9 %	$ (45,250)	(8)%	96,652	*

(1) Percent calculated as a percentage of revenues and may not total due to rounding.

*Represents a change equal to or in excess of 100% or one that is not meaningful.

Revenues: For the six months ended December 29, 2024, revenues totaled $560,269 and represented an increase of $27,193, or 5%, over the same period of last fiscal year. The increase in revenues is primarily attributable to revenue from newly acquired or leased locations. The increase in revenue from newly acquired or leased locations was partially offset by a decline in revenues on a same-store basis.

The following table summarizes our revenues on a same-store-basis for six months ended December 29, 2024 as compared to the corresponding period last fiscal year:

(in thousands)	Six Months Ended December 29, 2024	Six Months Ended December 31, 2023	Change	% Change
Revenues on a same-store basis [1]	$ 471,074	$ 486,402	$ (15,328)	(3) %
Revenues for media, new and closed locations	88,001	43,420	44,581	*
Service fee revenue [2]	1,194	3,254	(2,060)	(63) %
Total revenues	$ 560,269	$ 533,076	$ 27,193	5 %

[1] Revenues from 327 locations are included in the same-store comparable location base for the comparison in the above table. In our previously filed 10-Q for the six months ended December 31, 2023, revenues from 312 locations were included in the same-store revenue.

[2] Service fee revenue is a mandatory gratuity passed through to the employee, which is a non-contributor to earnings and is being phased out across our locations.

*Represents a change equal to or in excess of 100% or one that is not meaningful.

The decrease in same-store revenues during the six months ended December 29, 2024 was primarily attributable to a reduction in group events business relative to the consumer environment during the same period of last fiscal year. In addition, revenues on a same-store basis were impacted by an unfavorable calendar shift.

Location operating costs: Location operating costs increased $16,712, or 11%. Increases in costs were in most areas and include amusement costs, advertising, rent, property taxes, and utilities. The increase in costs was mainly attributable to location count growth from acquisitions and lease agreements. For instance, Raging Waves water park and Boomers Parks location operating costs contributed $6,300 to the increase. The increase in costs were partially offset by cost management initiatives with reductions noted in supplies and repairs and maintenance. Location operating costs as a percent of revenues increased from 29% during the second quarter of fiscal 2024 to 30% during the second quarter of fiscal 2025, mainly due to the aforementioned location count growth and fixed costs.

Location payroll and benefit costs: Location payroll and benefit costs decreased $2,484, or 2%. The decrease in location payroll and benefit costs reflects the impact of the ongoing staffing optimization initiative. This is further illustrated by the decrease as a percent of revenues from 26% during the second quarter of fiscal 2024 to 25% during the second quarter of fiscal 2025. The decrease driven by staffing optimization was partially offset by location count growth. For instance, Raging Waves water park and Boomers Parks added $3,900 of location payroll and benefit costs.

Location food & beverage costs: Location food & beverage costs increased $3,150, or 8%. The increase in location food & beverage costs is mainly attributable to increased food & beverage revenue as compared to the second quarter of fiscal 2024.

Selling, general and administrative expenses ("SG&A"): SG&A expenses decreased $4,764 or 6%. The decrease is mainly attributable to a decrease in professional fees, which was partially offset by an increase in share-based compensation expense. The decrease in professional fees is mainly attributable to less acquisition activity as compared to the same period of the prior year and cost management initiatives at corporate. The cost management initiatives at corporate have also resulted in decreased payroll expense as compared to the same period of the prior fiscal year. The increase in share-based compensation expense is mainly attributable to less forfeiture activity as compared to the same period of fiscal 2024 coupled with an increase in share-based awards granted thus far in fiscal 2025.

Depreciation and amortization: Depreciation and amortization increased $7,678 or 11%. The increase in depreciation and amortization reflects the added depreciable assets, finite-lived intangible assets, and finance leases through acquisitions and capital expenditures.

Interest expense, net: Interest expense increased $13,780, or 16%. The higher interest expense is primarily the result of an added financing obligation within the second quarter of fiscal 2024 coupled with lower interest income as compared to the second quarter of fiscal 2024.

Change in fair value of earnouts: The impact on the statement of operations during six months ended December 29, 2024 is due to the decrease in the fair value of the earnouts, which mainly reflects the decrease in the Company's stock price in the current quarter.

Income Taxes: Income tax expense and deferred tax assets and liabilities reflect management's assessment of the Company's tax position. The effective tax rate of (70)% for six months ended December 29, 2024 was primarily attributed to the change in fair value of the earnout liability, permanent differences, and other discrete tax items.

Non-GAAP measure

Adjusted EBITDA is a non-GAAP financial measure that is not in accordance with, or an alternative to, measures prepared in accordance with GAAP. The Company believes certain financial measures which meet the definition of non-GAAP financial measures provide important supplemental information. 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. 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 Expense, Income Taxes, Depreciation and Amortization, Impairment Charges, Share-based Compensation, EBITDA from Closed Locations, Foreign Currency Exchange Loss (Gain), Asset Disposition Loss (Gain), Transactional and other advisory costs, Changes in the value of earnouts, and Other. 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.

Refer to notes below for additional details concerning the respective items for Adjusted EBITDA.

The following table provides a reconciliation from net income to Adjusted EBITDA for each reporting period:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Net income (loss)	$ 28,307	$ (63,469)	$ 51,402 $—	$ (45,250)
Adjustments:				
Interest expense	48,795	48,112	97,465	87,144
Income tax benefit	(11,347)	2,609	(21,245)	(7,074)
Depreciation and amortization	39,573	37,533	77,010	69,533
Loss on impairment, disposals, and other charges, net	2,575	50	4,047	49
Share-based compensation	4,664	3,689	9,167	5,600
Closed location EBITDA (1)	1,189	2,157	3,394	4,619
Transactional and other advisory costs (2)	4,020	4,935	7,279	13,241
Changes in the value of earnouts (3)	(19,682)	64,091	(68,603)	23,409
Other, net (4)	663	3,419	1,784	3,989
Adjusted EBITDA	$ 98,757	$ 103,126	$ 161,700	$ 155,260

Notes to Adjusted EBITDA:

(1) The closed location adjustment is to remove EBITDA for closed locations. Closed locations are those locations that are closed for a variety of reasons, including permanent closure, newly acquired or built locations prior to opening, locations closed for renovation or rebranding and conversion. If a location is not open on the last day of the reporting period, it will be considered closed for that reporting period. If the location is closed on the first day of the reporting period for permanent closure, the location 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 changes in the value of earnouts is to remove of the impact of the revaluation of the earnouts. Changes in the fair value of the earnout liability is recognized in the statement of operations. Decreases in the liability will have a favorable impact on the statement of operations and increases in the liability will have an unfavorable impact.

(4) Other includes the following related to transactions that do not represent ongoing or frequently recurring activities as part of the Company's operations: (i) non-routine expenses, net of recoveries for matters outside the normal course of business, (ii) costs incurred that have been expensed associated with obtaining an equity method investment in a subsidiary of VICI, (iii) severance expense, and (iv) other individually de minimis expenses. Certain prior year amounts have been reclassified to conform to current year presentation.

Liquidity and Capital Resources

We manage our liquidity through assessing available cash-on-hand, our ability to generate cash and our ability to borrow or otherwise raise capital to fund operating, investing and financing activities. The Company remains in a positive financial position with available cash balances.

A core tenet of our long-term strategy is to grow the size and scale of the Company in order to improve our operating profit margins through leveraging our fixed costs. As such, one of the Company's known cash requirements is for capital expenditures related to the construction of new locations and upgrading and converting existing locations. We believe our financial position, generation of cash, available cash-on-hand, existing credit facility, and access to potentially obtain additional financing from sale-lease-back transactions or other sources will provide sufficient capital resources to fund our operational requirements, capital expenditures, and material short and long-term commitments for the foreseeable future. We also plan to use available cash-on-hand to fund our share repurchase program, which was implemented as a method to return value to our shareholders. However, there are a number of factors that may hinder our ability to access these capital resources, including but not limited to our degree of leverage, and potential borrowing restrictions imposed by our lenders. See "*Risk Factors*" included in our previously filed Annual Report on Form 10-K for the fiscal year ended June 30, 2024 for further information.

At December 29, 2024, we had approximately $80,755 of available cash and cash equivalents.

Six Months Ended December 29, 2024 Compared To the Six Months Ended December 31, 2023

The following compares the primary categories of the condensed consolidated statements of cash flows for the period ended December 29, 2024 and December 31, 2023:

	Six Months Ended			
(in thousands)	**December 29, 2024**	**December 31, 2023**	**$ Change**	**% Change**
Net cash provided by operating activities	$ 68,147	$ 71,199	$ (3,052)	(4)%
Net cash used in investing activities	(133,214)	(246,666)	113,452	46%
Net cash provided by financing activities	79,099	169,738	(90,639)	(53)%
Effect of exchange rate changes on cash	(249)	51	(300)	*
Net change in cash and cash equivalents	$ 13,783	$ (5,678)	$ 19,461	*

*Represents a change equal to or in excess of 100% or one that is not meaningful.

Operating activities provided $68,147 as compared to $71,199 during the same period of the prior fiscal year. The decrease in cash provided by operating activities primarily reflects an increase in interest expense partially offset by higher revenues and lease incentive receipts.

Investing activities used $133,214 as compared to $246,666 during the same period of the prior fiscal year. The decrease in cash used in investing activities mainly reflects a reduction in capital expenditures and less acquisition activity as compared to the same period of the prior year. This was partially offset by the purchase of 66 acres of land adjacent to Raging Waves water park for $9,400.

Financing activities provided $79,099 as compared to $169,738 during the same period of the prior fiscal year. The decrease in cash provided by financing activities primarily reflects the proceeds from the transaction with VICI during the same period of the prior year and increased cash dividends during the six months ended December 29, 2024. This was partially offset by less share buyback activity as compared to the same period of the prior year and the impact of the $150,000 incremental term loan.

Our contractual obligations primarily include, but are not limited to, debt service, self-insurance liabilities, and leasing arrangements. We believe our sources of liquidity, namely available cash on hand, positive operating cash flows, and access to capital markets will continue to be adequate to meet our contractual obligations, as well as fund working capital, planned capital expenditures, location acquisitions, and execute purchases under our share repurchase program.

Critical Accounting Estimates

Our critical accounting estimates are discussed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our fiscal year 2024 Form 10-K under "Critical Accounting Estimates." There have been no significant changes in our critical accounting estimates during the quarter ended December 29, 2024.

Recently Issued Accounting Standards

See Note 1 - *Description of Business and Significant Accounting Policies* of the notes to Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q for information regarding new accounting pronouncements.

Emerging Growth Company Accounting Election

We are currently an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in, among other things, interest rates, credit risk, labor costs, health insurance claims and foreign currency exchange rates, which could impact its results of operations and financial condition. We attempt to address our exposure to these risks through our normal operating and financing activities.

Interest Rate Risk

Under our term and revolving credit facilities, we are exposed to a certain level of interest rate risk. Interest on the principal amount of our borrowings under our revolving credit facility loan accrues at the Adjusted Term Secured Overnight Financing Rate or the Alternate Base Rate, as further described in the credit agreement governing our term and revolving credit facilities. An increase or decrease of 1.0% in the effective interest rate would cause an increase or decrease to interest expense of approximately $12,856 over a twelve month period on our outstanding debt without considering the impact of hedging. The Company entered into two hedging transactions effective as of March 31, 2023 for an aggregate notional amount of our Term Loan of $800,000. The hedge transactions have a trade and hedge designation date of April 4, 2023. The hedge transactions, each for a notional amount of $400,000, provide for interest rate collars. The interest rate collars establish a floor on SOFR of 0.9429% and 0.9355%, respectively, and a cap on SOFR of 5.50%. The interest rate collars have a maturity date of March 31, 2026.

Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and temporary investments. We are exposed to credit losses in the event of non-performance by counter parties to our financial instruments. We place cash and temporary investments with various high-quality financial institutions. Although we do not obtain collateral or other security to secure these obligations, we periodically monitor the third-party depository institutions that hold our cash and cash equivalents. Our emphasis is primarily on safety and liquidity of principal and secondarily on maximizing yield on those funds.

Commodity Price Risk

We are exposed to market price fluctuation in food, beverage, supplies and other costs such as energy. Given the historical volatility of certain of our food product prices, including proteins, produce, dairy products, and cooking oil, these fluctuations can materially impact our food costs. While our purchasing commitments partially mitigate the risk of such fluctuations, there is no assurance that supply and demand factors such as disease or inclement weather will not cause the prices of the commodities used in our food operations to fluctuate. Additionally, the cost of purchased materials may be influenced by tariffs and other trade regulations which are outside of our control. To the extent that we do not pass along cost increases to our customers, our results of operations may be adversely affected.

Inflation

We experience inflation related to our purchase of certain products that we need to operate our business. This price volatility could potentially have a material impact on our financial condition and/or our results of operations. In order to mitigate price volatility, we monitor price fluctuations and may adjust our prices accordingly, however, our ability to recover higher costs through increased pricing may be limited by the competitive environment in which we operate.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is properly and timely reported and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective as of December 29, 2024.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting practices or processes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during our second quarter ended December 29, 2024.

Part II

Item 1. Legal Proceedings

For a description of all material pending legal proceedings, see Note 9 - *Commitments and Contingencies* of the notes to Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes to our risk factors contained in Part I. Item IA. “Risk Factors” of our Annual Report on Form 10-K for the year ended June 30, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our securities made by us for the quarter ended December 29, 2024.

	Total Number of Class A Shares Purchased	Average Price Paid per Class A Share*	Total Number of Shares Purchased as Part of Publicly Announced Programs	Dollar Value of Shares That May Yet Be Purchased Under The Publicly Announced Repurchase Program*
September 30, 2024 to November 3, 2024	242,700	$ 10.75	242,700	$ 154,106
November 4, 2024 to December 1, 2024	2,559,561	11.48	2,559,561	124,731
December 2, 2024 to December 29, 2024	532,715	10.87	532,715	118,941
Total	3,334,976	$ 11.33	3,334,976	

*The average price paid per share and dollar value of shares that may yet be purchased under the plan includes any commissions paid to repurchase stock (but excludes any excise taxes).

Item 6. Exhibits

Exhibit No.	Description
3.1	Certificate of Amendment of Certificate of Incorporation of Bowlero Corp. (incorporated by reference to Exhibit 3.1 to Lucky Strike Entertainment Corporations's Current Report on Form 8-K filed with the SEC on December 16, 2024.
3.2	Amended and Restated Bylaws of Lucky Strike Entertainment Corporation (incorporated by reference to Exhibit 3.1 to Lucky Strike Entertainment Corporations's Current Report on Form 8-K filed with the SEC on December 16, 2024.
10.1	Twelfth Amendment, dated December 17, 2024, to the First Lien Credit Agreement, dated as of July 3, 2017, by and among Lucky Strike Entertainment Corporation, Kingpin Intermediate Holdings LLC, as borrower, the other guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto. (incorporated by reference to Exhibit 10.1 to Lucky Strike Entertainment Corporation's Current Report on Form 8-K filed with the SEC on December 17, 2024).
10.2+	Employment Agreement, dated November 6, 2024, by and between the Company and Lev Ekster.
31.1+	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).
31.2+	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).
32.1+	Certification of the Principal Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
32.2+	Certification of the Principal Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline iXBRL document).

+ Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LUCKY STRIKE ENTERTAINMENT CORPORATION

Date:	February 5, 2025	By:	/s/ Robert M. Lavan
		Name:	Robert M. Lavan
		Title:	Chief Financial Officer
			(Principal Financial Officer)

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 6th day of November, 2024 (the "Effective Date"), by and between Bowlero Corp., a Delaware corporation (the "Company"), and Lev Ekster (the "Executive").

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. Effective as of the Effective Date, this Agreement shall govern the employment relationship between the Executive and the Company.

B. The Executive desires to be employed by the Company on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Retention and Duties.

1.1 Retention. The Company hereby hires, engages and employs the Executive for the Period of Employment (as such term is defined in Section 2) on the terms and conditions expressly set forth in this Agreement. The Executive does hereby accept and agree to such hiring, engagement and employment, on the terms and conditions expressly set forth in this Agreement.

1.2 Duties; Location. For the period beginning on the Effective Date and ending on the last day of the Period of Employment (as such term is defined in Section 2), the Executive shall (i) serve the Company as its President, (ii) have the powers, authorities, duties and obligations of management usually vested in the office of the President of a company of a similar size and similar nature of the Company, and such other powers, authorities, duties and obligations commensurate with such position as the Company's Board of Directors (the "Board") may reasonably assign from time to time, and (iii) report directly to the CEO of the Company. The Executive may work remotely from any location; provided that the Executive acknowledges and agrees to travel as necessary in performing the Executive's duties for the Company, including travel to the Company's offices and other locations as reasonably as is necessary.

1.3 No Other Employment; Minimum Time Commitment. During the Period of Employment, the Executive shall devote substantially all of his business time, energy and skill to the performance of the Executive's duties for the Company, and shall hold no other employment.

2. Period of Employment. The Executive's employment pursuant to this Agreement with the Company will commence on the Effective Date, and will end at the close of business on the second (2nd) anniversary of the Effective Date (such anniversary date, the "Expiration Date"). The "Period of Employment" shall mean the period beginning on the Effective Date and ending on the Expiration Date. Notwithstanding the foregoing, the Period of Employment is subject to earlier termination as provided below in this Agreement.

3. Compensation.

3.1 Base Salary. During the Period of Employment, and for the Executive's services to the Company, the Company shall pay the Executive a base salary at an annualized rate of $725,000 (the "Base Salary"), which shall be paid in accordance with the Company's regular payroll practices in effect from time to time.

3.2 Annual Bonus. During the Period of Employment, for each fiscal year, the Executive shall have the opportunity to earn an annual bonus (the "Annual Bonus"). The target amount of the Annual Bonus shall equal a minimum 50% of the Base Salary, with final amount of the target amount of the Annual Bonus to be approved by the Compensation Committee of the Board for each year fiscal year during the Period of Employment. The actual amount of the Annual Bonus earned for a fiscal year shall be based on the achievement of performance targets established by the Compensation Committee of the Board in accordance with the terms of the Company's annual incentive plan. Any Annual Bonus earned for a fiscal year shall be paid to the Executive no later than two and a half (2.5) months after the end of such fiscal year.

3.3 Equity Awards. The Executive shall be eligible to receive awards under the Company's long-term equity incentive program as in effect from time to time. Such awards shall be at a level commensurate with awards granted to other executives, other than the Chief Executive Officer, listed in the Company's Definitive Annual Proxy Statement filed with the Securities and Exchange Commission under the cover of Schedule 14A.

4. Benefits.

4.1 Retirement, Welfare and Fringe Benefits. During the Period of Employment, the Executive shall be entitled to participate in all employee retirement and welfare benefit plans and programs, and fringe and any other employee benefit plans and programs, made available by the Company to employees generally, in accordance with the generally applicable eligibility and participation provisions of such plans, and as such plans or programs may be in effect from time to time.

4.2 Reimbursement of Business Expenses. The Company shall reimburse the Executive for all reasonable business expenses the Executive incurs during the Period of Employment in connection with carrying out the Executive's duties for the Company under this Agreement, subject to the Company's expense reimbursement policies in effect from time to time.

5. Termination.

5.1 Termination by the Company. The Executive's employment by the Company, and the Period of Employment, may be terminated at any time by the Company: (a) with Cause (as such term is defined in Exhibit A); or (b) upon not less than thirty (30) days prior written notice to the Executive, without Cause; or (c) in the event of the Executive's death. The Company may, if it so chooses, place the Executive on paid leave of absence for any such thirty (30) day notice period referred to in clause (b) above (or any portion of such period). This provision supersedes Section 1 of the Confidentiality Agreement (as such term is defined in Section 6.1 hereof).

5.2 Termination by the Executive. The Executive's employment by the Company, and the Period of Employment, may be terminated by the Executive, with or without Good Reason, upon not less than thirty (30) days prior written notice to the Company; provided, however, that in the case of a termination for Good Reason (as such term is defined in Exhibit A), the Executive may provide immediate written notice of termination once the applicable cure period (as contemplated by the definition of Good Reason) has lapsed if the Company has not reasonably cured the circumstances that gave rise to the basis for the Good Reason termination.

5.3 Benefits Upon Termination. If the Executive's employment by the Company is terminated during the Period of Employment for any reason by the Company or by the Executive (in any case, the date that the Executive's employment by the Company terminates is referred to as the "Termination Date"), the Company shall have no further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from the Company, any payments or benefits except as follows:

(a) The Company shall pay the Executive (or, in the event of the Executive's death, the Executive's estate) any Accrued Obligations (as such term is defined in Exhibit A).

(b) Subject to Section 5.3(c), if, during the Period of Employment, the Executive's employment is terminated by the Company without Cause, or as a result of a resignation by the Executive for Good Reason, the Company shall pay the Executive (in addition to the Accrued Obligations) the following:

(i) subject to tax withholding and other authorized deductions, an amount (the "Severance Benefit") equal to 100% of the Executive's Base Salary at the rate in effect on the Termination Date. Subject to Section 18.1, the Company shall pay the Severance Benefit to the Executive in equal monthly installments (rounded down to the nearest whole cent) over a period of twelve (12) consecutive months with the first installment payable on (or within ten (10) days following) the sixtieth (60th) day following the Executive's Separation from Service (as such term is defined in Exhibit A) (and which amount shall include payment of any amounts that would otherwise be due prior thereto); and

(ii) if the Executive and any of the Executive's eligible dependents, in each case, who participate in the Company's (or any Affiliate's) medical, dental, vision and prescription drug plans as of the Termination Date, timely elect coverage under Consolidated Omnibus Budget Reconciliation Act ("COBRA") for such plans, the Company shall pay directly, or promptly reimburse the Executive for, such COBRA premiums (on a monthly basis) for twelve (12) months; provided that in no event shall the Company's obligations pursuant to this paragraph extend beyond the period in which the Company (or any Affiliate) is required to provide COBRA coverage to the Executive and/or any of his eligible dependents; and provided, further, that the first payment or reimbursement shall be made on the sixtieth (60th) day following the Executive's Separation from Service (and which amount shall include payment of any amounts that would otherwise be due prior thereto).

(c) If, during the Change in Control Period (as such term is defined in Exhibit A), the Executive's employment with the Company is terminated by the Company without Cause, or as a result of a resignation by the Executive for Good Reason, the Company shall pay the Executive (in addition to the Accrued Obligations) the following:

(i) subject to tax withholding and other authorized deductions, an amount (the "CIC Severance Benefit") equal to 100% of the Executive's Base Salary at the rate in effect on the Termination Date. Subject to Section 18.1, the Company shall pay the CIC Severance Benefit to the Executive in a lump sum on (or within ten (10) days following) the sixtieth (60th) day following the Executive's Separation from Service; and

(ii) if the Executive and any of the Executive's eligible dependents, in each case, who participate in the Company's (or any Affiliate's) medical, dental, vision and prescription drug plans as of the Termination Date, timely elect coverage under COBRA for such plans, the Company shall pay directly, or reimburse the Executive for, such COBRA premiums (on a monthly basis) for twelve (12) months; provided that in no event shall the Company's obligations pursuant to this paragraph extend beyond the period in which the Company (or any Affiliate) is required to provide COBRA coverage to the Executive and/or any of his eligible dependents; and provided, further, that the first payment or reimbursement shall be made on the sixtieth (60th) day following the Executive's Separation from Service (and which amount shall include payment of any amounts that would otherwise be due prior thereto).

(d) Notwithstanding the foregoing provisions of this Section 5.3, if the Executive materially breaches, at any time, the Executive's obligations under the Confidentiality Agreement (as such term is defined in Section 6.1) or Section 6.2 of this Agreement, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Executive shall no longer be entitled to, and the Company shall no longer be obligated to pay, any remaining unpaid portion of the Severance Benefit under Section 5.3(b) or the CIC Severance Benefit under Section 5.3(c); provided, however, that, if the Executive provides the Release contemplated by Section 5.4, in no event shall the Executive be entitled to a Severance Benefit or CIC Severance Benefit payment, as applicable, of less than $5,000, which amount the parties agree is good and adequate consideration, in and of itself, for the Executive's Release contemplated by Section 5.4.

(e) The foregoing provisions of this Section 5.3 shall not affect: (i) the Executive's receipt of benefits otherwise due terminated employees under group insurance coverage consistent with the terms of the applicable Company welfare benefit plan; (ii) the Executive's rights under COBRA to continue participation in medical, dental, hospitalization and life insurance coverage; (iii) the Executive's receipt of benefits otherwise due in accordance with the terms of the Company's 401(k) plan (if any) or any other retirement or pension plan; and

(iv) any right to indemnification the Executive may have from the Company or the Executive's right to be covered under any applicable insurance policy, with respect to any liability the Executive incurred or might incur as an employee, officer or director of the Company or its affiliates, including, without limitation, pursuant to Section 19 hereof.

5.4 Release; Exclusive Remedy.

(a) This Section 5.4 shall apply notwithstanding anything else contained in this Agreement to the contrary. As a condition precedent to any Company obligation to the Executive pursuant to Section 5.3, the Executive shall provide the Company with a valid, executed customary written separation and release agreement in the form provided by the Company (the "Release") following such last day of employment, and the Release shall have not been revoked by the Executive pursuant to any revocation rights afforded by applicable law. The Executive shall be required to execute and return the Release to the Company within twenty-one (21) days (or forty-five (45) days if such longer period of time is required to make the Release maximally enforceable under applicable law) after the Company provided the form of Release to the Executive.

(b) The Executive agrees that the payments contemplated by Section 5.3 shall (if the Release contemplated by Section 5.4(a) is signed and becomes effective and the severance amounts are paid in accordance with their terms) constitute the exclusive and sole remedy for any termination of the Executive's employment and, in such case, the Executive covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment; provided, however, that nothing herein shall affect the Executive's rights as a stockholder of the Company (or the rights of any stockholder in which the Executive has a direct or indirect beneficial interest). The Company and the Executive acknowledge and agree that there is no duty of the Executive to mitigate damages under this Agreement, and there shall be no offset against any amounts due to the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that the Executive may obtain. All amounts paid to the Executive pursuant to Section 5.3 shall be paid without regard to whether the Executive has taken or takes actions to mitigate damages. The Executive agrees to resign, on the Termination Date, as an officer and director of the Company and any Affiliate, and as a fiduciary of any benefit plan of the Company or any Affiliate, and to promptly execute and provide to the Company any further documentation, as reasonably required by the Company, to confirm such resignation.

5.5 Notice of Termination; Paid Leave. Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other parties. This notice of termination must be delivered in accordance with Section 17 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination, as well as the effective date of termination. If the Company terminates the Executive's employment pursuant to clause (b) of Section 5.1, or if the Executive provides notice of termination pursuant to Section 5.2, the Company may place the Executive on paid administrative leave during the applicable notice period and such leave shall not constitute grounds for a resignation by the Executive for Good Reason.

6. Protective Covenants.

6.1 Confidentiality Agreement. As a condition to the Executive's employment by the Company hereunder, effective as of the Effective Date, the Executive has entered into a Confidential Information and Work Product Assignment Agreement (the "Confidentiality Agreement").

6.2 Cooperation. For three (3) years following the Executive's last day of employment by the Company, the Executive shall reasonably cooperate with the Company and the Subsidiaries (as such term is defined in Exhibit A) in connection with: (a) any internal or governmental investigation or administrative, regulatory, arbitral or judicial proceeding involving any of them with respect to matters relating to the Executive's employment with or service as a member of the Board or the board of directors of any Subsidiary; or (b) any audit of the financial statements of the Company or any Subsidiary with respect to the period of time when the Executive was employed by the Company. The Company shall reimburse the Executive for reasonable travel expenses incurred in connection with providing the services under this Section 6.2, including lodging and meals, upon the Executive's submission of receipts.

7. Withholding Taxes. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

8. Successors and Assigns. This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company, its successors and, other than as set forth below, shall not be assignable by the Company without the prior written consent of the Executive**.** The obligations under this Agreement shall be assignable by the Company to, and only to, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company; provided, that the Company shall require such successor to expressly assume and agree to perform its obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such assignment had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor thereto which assumes and agrees to perform this Agreement by operation of law or otherwise.

9. Number and Gender; Examples. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

10. **Section Headings**. The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

11. **Governing Law**. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF NEW YORK WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

12. **Severability**. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

13. **Entire Agreement**. On and following the date hereof, (i) this Agreement, including its attachments and exhibits (together, the "Integrated Document"), embodies the entire agreement of the parties hereto respecting the matters within its scope, (ii) the Integrated Document supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bears upon the subject matter hereof, including, without limitation, that certain letter agreement, effective as of January 15, 2024, by and between the parties, (iii) any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter hereof shall be deemed to have been merged into the Integrated Document, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect, and (iv) there are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein or in the Integrated Document.

14. Modifications. This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto. The Executive may not consent to any such amendment, modification or change on behalf of the Company.

15. Waiver. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence**.** No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

16. Arbitration; Waiver of Jury Trial.

16.1 Arbitration. The Executive and the Company hereby agree that any and all controversies, claims or disputes with anyone arising out of, relating to or resulting in any manner from the Executive's employment with the Company or the termination of the Executive's employment with the Company, including any breach of this Agreement, (including any dispute with any employee, officer, shareholder, affiliate or benefit plan of the Company in their capacity as such or otherwise) shall be subject to binding arbitration under the arbitration rules set forth in applicable state or federal law (the "Rules"). Disputes which the parties agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under state or federal law, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, claims of harassment, discrimination or wrongful termination and any statutory claims.

16.2 Procedure. The parties hereby agree that any arbitration will be administered by a sole arbitrator (the "Arbitrator") selected from Judicial Arbitration & Mediation Services, Inc., New York, New York, or its successor ("JAMS"), or if JAMS is no longer able to supply the arbitrator, such arbitrator shall be selected from the American Arbitration Association, and such selection shall be in a manner consistent with the JAMS rules applicable to employment disputes. Any arbitration pursuant to this Section 16 shall take place in New York, New York. The parties agree that the Arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication and motions to dismiss and demurrers, prior to any arbitration hearing. The parties also agree that the Arbitrator shall have the power to award any remedies available under applicable law, but will not have the power to award attorneys' fees and costs. The Company agrees that it will pay for any administrative or hearing fees unique to arbitration, including any filing fees or arbitrator fees associated with any arbitration brought under this Section 16. The Arbitrator shall administer and conduct any arbitration in a manner consistent with the Rules and that to the extent that JAMS rules applicable to employment disputes conflict with the Rules, the Rules shall take precedence. The decision of the Arbitrator shall be in writing and shall set forth the bases for the Arbitrator's decision. This provision supersedes paragraph 22 of the Confidentiality Agreement.

16.3 Remedy. Except as provided by the Rules and this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between the Executive and the Company. Accordingly, except as provided for by the Rules and this Agreement, the Executive and the Company will not be permitted to pursue court action regarding claims that are subject to arbitration. Notwithstanding, the Arbitrator will not have the authority to disregard or refuse to enforce any lawful Company policy, and the Arbitrator shall not order or require the Company to adopt a policy not otherwise required by law which the Company has not adopted. The decision of the Arbitrator on any issue, dispute, claim or controversy submitted for arbitration, shall be final and binding upon the parties and that judgment may be entered on the award of the Arbitrator in any court having proper jurisdiction.

16.4 Availability of Injunctive Relief. In addition to the right under the Rules to petition the court for provisional relief, the parties agree that any party may also petition the court for injunctive relief in aid of arbitration where either party alleges or claims a violation of this Agreement or any other agreement between the Executive, on the one hand, and the Company, on the other hand, regarding trade secrets or confidential information. The Executive understands that any breach or threatened breach of such an agreement will cause irreparable injury and that money damages will not provide an adequate remedy therefore, and both parties hereby consent to the issuance of an injunction.

16.5 Administrative Relief. The Executive understands that this Agreement does not prohibit the Executive from pursuing an administrative claim with a local, state or federal administrative body such as the Equal Employment Opportunity Commission or the state Workers' Compensation board. This Agreement does, however, preclude the Executive from pursuing court action regarding any such claim.

16.6 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

17. **Notices** Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, five days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

if to the Company:

Bowlero Corp.
Attention: Chief Legal Officer
7313 Bell Creek Road
Mechanicsville, VA 23111

if to the Executive, to the address most recently on file in the Company's payroll records.

18. Section 409A.

18.1 If the Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Executive's Separation from Service, the Executive shall not be entitled to any payment or benefit pursuant to Section 5.3 until the earlier of (i) the date which is six (6) months after the Executive's Separation from Service for any reason other than death, or (ii) the date of the Executive's death. The provisions of this Section 18.1 shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code. Any amounts otherwise payable to the Executive upon or in the six (6) month period following the Executive's Separation from Service that are not so paid by reason of this Section 18.1 shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Executive's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Executive's death).

18.2 Except to the extent any reimbursement or in-kind benefit provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, any such reimbursement or in-kind benefit due to the Executive hereunder (A) shall be paid to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred, and (B) shall not be subject to liquidation or exchange for another benefit and the amount of such reimbursement or in-kind benefit that the Executive receives in one taxable year shall not affect the amount of such benefits and reimbursements that the Executive receives in any other taxable year. The Executive agrees to promptly submit and document any reimbursable expenses in accordance with the Company's expense reimbursement policies to facilitate the timely reimbursement of such expenses.

18.3 It is intended that any amounts payable under this Agreement, and the Company's and the Executive's exercise of authority or discretion hereunder, shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent.

18.4 For purposes of Section 409A of the Code, the Executive's right to receive any installment payment under this Agreement shall be treated as a right to receive a series of separate and distinct payments.

18.5 Notwithstanding anything to the contrary herein, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits upon or following a termination of employment unless such termination is also a Separation from Service and, for purposes of any such provision of this Agreement, references to a "resignation," "termination," "termination of employment" or like terms shall mean Separation from Service.

19. Indemnification.

19.1 Regardless of whether this Agreement expires or the Executive is terminated during the Period of Employment for any reason by the Company or by the Executive, the Company agrees that (i) if the Executive is made a party, or is threatened to be made a party, to any threatened or actual action, suit or proceeding whether civil, criminal, administrative, investigative, appellate or other (a "Proceeding") by reason of the fact that he is or was a director, officer or employee of the Company or is or was serving at the request of the Company as a director, officer, member, employee, agent, manager, consultant or representative of another person or (ii) if any claim, demand, request, investigation, controversy, threat, discovery request or request for testimony or information (a "Claim") is made, or threatened to be made, that arises out of or relates to the Executive's service in any of the foregoing capacities, whether arising before or after the date hereof, then the Executive shall promptly be indemnified and held harmless by the Company to the fullest extent legally permitted and authorized by the Company's charter, bylaws or Board resolutions against any and all costs, expenses, liabilities and losses (including, without limitation, attorney's fees, expert witness fees, judgments, interest, expenses of investigating, defending or obtaining indemnity with respect to any Proceeding or Claim, penalties, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if he has ceased to be a director, officer or employee of the Company or a director, officer, member, employee, agent, manager, consultant or representative of such other person and shall inure to the benefit of the Executive's heirs, executors and administrators. To the extent permitted by law, the Company shall advance to the Executive all costs and expenses incurred by him in connection with any such Proceeding or Claim within thirty (30) days after receiving written notice requesting such an advance. Such notice shall include an undertaking by the Executive to repay the amount advanced if he is ultimately determined not to be entitled to indemnification against such costs and expenses.

19.2 Neither the failure of the Company (including its Board, independent legal counsel or stockholders) to have made a determination in connection with any request for indemnification or advancement under Section 19.1 that the Executive has satisfied any applicable standard of conduct, nor a determination by the Company (including its Board, independent legal counsel or stockholders) that the Executive has not met any applicable standard of conduct, shall create a presumption that the Executive has not met an applicable standard of conduct.

19.3 During the Period of Employment and for a period of six (6) years thereafter, the Company shall keep in place a directors and officers' liability insurance policy (or policies) providing comprehensive coverage to the Executive if and to the extent that the Company provides such coverage for any other present or former senior executive or director of the Company. The Company shall give prompt written notice to the Executive in the event the Company does not have in full force and effect a directors and officers' liability policy (or policies) that covers the Executive.

19.4 The provisions of this Section 19 shall apply to the estate, executor, administrator, heirs, legatees or devisees of the Executive and shall survive the expiration or any termination of this Agreement.

20. **Counterparts** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument**.** This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories**.** Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose. Electronic, facsimile or portable document format (pdf) executed signature pages shall constitute originals for purposes of this Agreement.

21. **Legal Counsel; Mutual Drafting** Each party recognizes that this is a legally binding contract and acknowledges and agrees that such party has had the opportunity to consult with legal counsel of such party's choice**.** Each party has cooperated in the drafting, negotiation and preparation of this Agreement**.** Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that the Executive has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

22. **Further Assurances** Each party shall execute and cause to be delivered to each other party hereto such documents and other instruments and take such further actions as may be reasonably necessary to carry out the provisions hereof.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the date first above written.

“COMPANY”

Bowlero Corp., a Delaware corporation

By: /s/ Robert M. Lavan
Name: Bobby Lavan
Title: CFO

“EXECUTIVE”

/s/ Lev Ekster
Lev Ekster

EXHIBIT A

Certain Definitions

For purposes of this Agreement the following terms have the following meanings:

"Accrued Obligations" means:

(i) any Base Salary that had accrued but had not been paid (including accrued and unpaid vacation time) on or before the Termination Date;

(ii) other than in the event of the Executive's termination by the Company for Cause or by the Executive without Good Reason, any Annual Bonus payable pursuant to Section 3.2 with respect to the fiscal year immediately preceding the fiscal year in which the Termination Date occurs that had not previously been paid, paid when Annual Bonus payments are made to active employees but in no event later than December 31 of the calendar year in which the Termination Date occurs;

(iii) other than in the event of the Executive's termination by the Company for Cause or by the Executive without Good Reason, the Annual Bonus paid to the Executive in the fiscal year prior to the year of termination prorated to reflect the portion of the current fiscal year worked by the Executive to and including the Termination Date. Such Annual Bonus, if payable in connection with Section 5.3(b), shall be payable in accordance with the installment plan and time frame specified in Section 5.3(b)(i) as it relates to the Severance Benefit. Such Annual Bonus, if payable in connection with Section 5.3(c), shall be payable in accordance with the time frame specified in Section 5.3(c)(i) as it relates to the CIC Severance Benefit;

(iv) any reimbursement due to the Executive pursuant to Section 4.2 for expenses incurred by the Executive through the Termination Date; and

(v) any other amounts or benefits required to be paid or provided by law or under any employee benefit plan, program, policy or practice of the Company.

Subject to Section 18, all amounts in (i) and (iv) shall be paid promptly after the Termination Date, the amounts in (ii) and (iii) shall be paid in accordance with (ii) and (iii), respectively, and the amounts and benefits in (v) shall be paid or provided in accordance with their terms.

"Affiliate" means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

“Cause” shall mean that, during the Period of Employment, any of the following events exists or has occurred:

(i) the Executive is convicted of, or pleads guilty or *nolo contendre* to, a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(ii) the Executive willfully commits an act of fraud, dishonesty or other act of willful misconduct in the course of the Executive’s duties hereunder that has an adverse impact on the Company or any Affiliate that is not immaterial, after the Company has delivered to the Executive a written notice which describes the basis for the Board’s belief that the Executive has willfully committed such act;

(iii) the Executive willfully fails to perform the Executive’s duties under this Agreement and/or willfully fails to comply with reasonable directives of the Board, in either case after the Company has delivered to the Executive a written demand for performance which describes the basis for the Board’s belief that the Executive has violated the Executive’s obligations to the Company, or failed to comply with any such directives, as applicable, and the Executive fails to cure such alleged violation or failure within thirty (30) days after receipt of such notice; or

(iv) any material breach by the Executive of (A) this Agreement, (B) the Confidentiality Agreement or (C) any material Company policy that was communicated to the Executive in writing that, in each case, (x) has or could reasonably be expected to have an adverse impact on the Company or any Affiliate that is not immaterial and (y) after the Company has delivered to the Executive a written notice which describes the basis for the Board’s belief that the Executive has materially breached this Agreement or such policy, and the Executive fails to cure such alleged breach within thirty (30) days after receipt of such notice.

However, no act or failure to act, on the Executive’s part shall be considered “willful” unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive’s action or omission was in the best interest of the Company.

“Change in Control” has the meaning assigned to it in the Bowlero Corp. 2021 Omnibus Incentive Plan.

“Change in Control Period” means the 24-month period immediately following a Change in Control.

“Good Reason” means a resignation by the Executive after the occurrence (without the Executive’s consent) of any one or more of the following conditions caused by the Company:

(i) a material diminution in the Executive's authority, duties, responsibilities or status; provided that the Company ceasing to be a publicly traded company will not, in and of itself, constitute a material diminution in the Executive's authority, duties, responsibilities or status; or

(ii) A reduction in Executive's Base Salary that is in excess of 10% of Executive's Base Salary unless such reduction is part of a broader reduction in salaries impacting other senior executives of the Company; or

(iii) a change in the Executive's reporting line such that the Executive no longer reports to the Vice Chairman, Thomas Shannon, or the Board of the Company; or

(iv) any requirement that the Executive not be permitted to work remotely (other than travel as necessary in performing the Executive's duties for the Company, including travel to the Company's headquarters and other locations as necessary); or

(v) the failure of the Company to have in full force and effect at all times a directors and officers' liability policy (or policies) that covers the Executive;

provided, however, that the existence of the condition or conditions described in provisions (i) and (ii) above shall not constitute Good Reason unless both (x) the Executive provides written notice to the Company of the condition claimed to constitute Good Reason within sixty (60) days after the Executive has (or reasonably should have) knowledge of the initial existence of such condition(s), and (y) the Company fails to remedy such condition(s) within thirty (30) days of receiving such written notice thereof; and provided, further, that in all events the termination of the Executive's employment with the Company shall not constitute a termination for Good Reason unless such termination occurs not more than one hundred and twenty (120) days after the Executive has (or reasonably should have) knowledge of the initial existence of the condition claimed to constitute Good Reason.

"Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Separation from Service" means a "separation from service" (within the meaning of Section 409A of the Code).

"Subsidiary" means any corporation or entity in which the Company owns or controls directly or indirectly fifty percent (50%) or more of the voting power or economic interests of such corporation or entity.

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas F. Shannon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lucky Strike Entertainment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2025

/s/ Thomas F. Shannon

Thomas F. Shannon

Chief Executive Officer and Chairman

Lucky Strike Entertainment Corporation

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert M. Lavan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lucky Strike Entertainment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2025

/s/ Robert M. Lavan

Robert M. Lavan

Chief Financial Officer

Lucky Strike Entertainment Corporation

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lucky Strike Entertainment Corporation (the "Company") for the quarterly period ended December 29, 2024, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Thomas F. Shannon, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 5, 2025

/s/ Thomas F. Shannon

Thomas F. Shannon
Chief Executive Officer and Chairman
Lucky Strike Entertainment Corporation

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lucky Strike Entertainment Corporation. (the “Company”) for the quarterly period ended December 29, 2024, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, Robert M. Lavan, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 5, 2025

/s/ Robert M. Lavan

Robert M. Lavan
Chief Financial Officer
Lucky Strike Entertainment Corporation

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).