

BOWLIN TRAVEL CENTERS, INC.

Financial Statements

For the Quarterly Period Ended

October 31, 2023

(unaudited)

150 Louisiana, NE Albuquerque, NM 87108 (505) 266-5985

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BOWLIN TRAVEL CENTERS, INC.
Condensed Balance Sheets
(in thousands, except share data)

	October 31, 2023 (Unaudited)	January 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,751	\$ 7,323
Marketable securities	5,216	1,202
Accounts receivable	10	9
Current maturity of note receivable	12	10
Inventories	5,489	5,748
Prepaid income taxes	75	84
Prepaid expenses	296	351
Interest receivable	24	4
Total current assets	13,873	14,731
Property and equipment, net	11,730	11,873
Operating lease right of use assets	1,204	1,019
Intangible assets, net	44	40
Note receivable, less current maturities	--	3
Investment in real estate	301	308
Total assets	\$ 27,152	\$ 27,974
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 752	\$ 996
Current maturity of long-term debt	445	469
Accrued liabilities	1,136	1,974
Income taxes payable	15	10
Current operating lease liabilities	202	117
Deferred revenue	17	27
Total current liabilities	2,567	3,593
Net deferred income taxes liabilities	942	999
Operating lease liabilities	963	864
Long-term debt, less current maturities	5,645	5,970
Total liabilities	10,117	11,426
Stockholders' equity:		
Preferred stock, \$0.001 par value; 1,000,000 shares authorized, none issued or outstanding at October 31, 2023 and January 31, 2023	—	—
Common stock, \$0.001 par value; 10,000,000 shares authorized, 4,583,348 issued and outstanding at October 31, 2023 and January 31, 2023	5	5
Less: Treasury stock, \$0.001 par value: 645,086 shares at October 31, 2023 and 639,595 shares at January 31, 2023	(1)	1
Common stock, 3,938,262 and 3,943,753 shares outstanding at October 31, 2023 and January 31, 2023, respectively	4	4
Additional paid in capital, net	8,795	8,819
Retained earnings	8,236	7,725
Total stockholders' equity	17,035	16,548
Total liabilities and stockholders' equity	\$ 27,152	\$ 27,974

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Income
(in thousands, except share and per share data)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>October 31,</u>	<u>October 31,</u>	<u>October 31,</u>	<u>October 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Gross sales	\$ 8,301	\$ 9,187	\$ 29,253	\$ 32,851
Less discounts on sales	<u>94</u>	<u>103</u>	<u>379</u>	<u>387</u>
Net sales	8,207	9,084	28,874	32,464
Cost of goods sold	<u>4,653</u>	<u>5,129</u>	<u>16,058</u>	<u>18,644</u>
Gross profit	3,554	3,955	12,816	13,820
General and administrative expenses	(3,496)	(3,586)	(11,218)	(11,305)
Depreciation and amortization	(298)	(307)	(897)	(893)
Gain (loss) on sale of property and equipment	<u>4</u>	<u>(8)</u>	<u>9</u>	<u>154</u>
Operating income (loss)	(236)	54	710	1,776
Non-operating income (expense)				
Interest income	75	8	104	11
Interest expense	(68)	(62)	(205)	(223)
Rental income	<u>79</u>	<u>7</u>	<u>108</u>	<u>28</u>
Total non-operating income (expense)	<u>86</u>	<u>(47)</u>	<u>7</u>	<u>(184)</u>
Income (loss) before income tax expense	(150)	7	717	1,592
Income tax (expense) benefit	33	(46)	(206)	(445)
Net income (loss)	<u>\$ (117)</u>	<u>\$ (39)</u>	<u>\$ 511</u>	<u>\$ 1,147</u>
Net income (loss) per share	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>	<u>\$ 0.13</u>	<u>\$ 0.29</u>
Weighted average common shares outstanding	<u>3,942,475</u>	<u>3,952,528</u>	<u>3,942,475</u>	<u>3,952,528</u>

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Stockholders' Equity
(in thousands, except share data)
For the nine months ended October 31, 2023
(Unaudited)

	Number of shares of Common stock outstanding	Common stock, at par	Additional paid-in capital	Retained earnings	Total
Balance at January 31, 2023	3,943,753	\$ 4	\$ 8,819	\$ 7,725	\$ 16,548
Net income	—	—	—	511	511
Purchase of treasury stock	<u>(5,491)</u>	<u>—</u>	<u>(24)</u>	<u>—</u>	<u>(24)</u>
Balance at October 31, 2023	<u>3,938,262</u>	<u>\$ 4</u>	<u>\$ 8,795</u>	<u>\$ 8,236</u>	<u>\$ 17,035</u>

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Cash Flows
(in thousands)

	For the Nine Months Ended	
	October 31, 2023 (Unaudited)	October 31, 2022 (Unaudited)
Cash flows from operating activities:		
Net income	\$ 511	\$ 1,147
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	897	893
(Gain) loss on sale of assets	(9)	(154)
Deferred income taxes, net	(58)	77
Changes in operating assets and liabilities, net	(766)	(2,273)
Net cash provided by (used in) operating activities	575	(310)
Cash flows from investing activities:		
Proceeds from sale of assets	84	683
Purchases of property and equipment, net	(826)	(762)
Accrued interest receivable	(20)	(4)
Marketable securities, net	(4,014)	--
Note receivable, net	1	3
Net cash used in investing activities	(4,775)	(80)
Cash flows from financing activities:		
Payments on long-term debt	(348)	(349)
Payments for finance lease obligation	--	(33)
Purchase of treasury stock	(24)	(41)
Net cash used in financing activities	(372)	(423)
Net decrease in cash and cash equivalents	(4,572)	(813)
Cash and cash equivalents at beginning of period	7,323	8,130
Cash and cash equivalents at end of period	\$ 2,751	\$ 7,317

See accompanying notes to condensed financial statements.

Notes to Condensed Financial Statements (Unaudited)

1. The condensed financial statements of Bowlin Travel Centers, Inc. (the "Company") as of and for the three months and nine months ended October 2023 and 2022 are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, operating results and cash flows for the interim periods. The interim financial statements should be read in conjunction with the audited financial statements and notes for the fiscal year ended January 31, 2023. Results of operations for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole.
2. The Company repurchased 5,491 of its outstanding common shares, as treasury stock, for the nine months ended October 31, 2023 at an average price per share of approximately \$4.42 for a total repurchase of \$24,276. The common shares issued and outstanding were reduced by 5,491 shares or \$5 (5,491 shares at \$0.001 per value per share), and additional paid in capital was reduced by approximately \$24,271. The reduction in shares issued and outstanding and additional paid in capital is reflected in the accompanying balance sheet.
3. Investment in real estate: On February 2, 2023, the Company sold two of the sub-divided quarter-acre residential lots of land in Alamogordo, New Mexico. The lots sold for \$49,800, the carrying value was \$25,349 and the selling costs were \$9,389. The gain on the sale of the lots was \$15,062.

On July 24, 2023, the Company sold one of the subdivided quarter-acre residential lots of land in Alamogordo, New Mexico. The lot sold for \$24,900, the carrying value was \$13,292 and the selling costs were \$3,299. The gain on the sale of the lot was \$8,309.

On August 22, 2023, the Company sold one of the subdivided quarter-acre residential lots of land in Alamogordo, New Mexico. The lot sold for \$24,900, the carrying value was \$13,772 and the selling costs were \$3,239. The gain on the sale of the lot was \$7,889.

4. On May 3, 2023, the Company entered into an agreement to purchase real estate located in Pinal County, Arizona for \$50,000. The property closed on June 2, 2023.
5. On September 1, 2023, the Company entered into a lease agreement with Nitsujii, LLC in Grant County, New Mexico for the Continental Divide location. The lease agreement will be effective through August 31, 2028.
6. Subsequent events: On November 9, 2023, the Company sold one of the subdivided quarter-acre residential lots of land in Alamogordo, New Mexico. The lot sold for \$27,900, the carrying value was \$13,292 and the selling costs were \$3,458. The gain on the sale of the lot was \$11,150.

On November 9, 2023, the Company sold one of the subdivided quarter-acre residential lots of land in Alamogordo, New Mexico. The lot sold for \$24,900, the carrying value was \$13,292 and the selling costs were \$3,270. The gain on the sale of the lot was \$8,338.

The OTC Markets Disclosure Statement can be seen at <https://www.otcmarkets.com/stock/BWTL/disclosure>.

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