

**BOWLIN TRAVEL CENTERS, INC.**

**Financial Statements**

**For the Quarterly Period Ended**

**April 30, 2022**

**(unaudited)**

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

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

	<u>April 30, 2022 (Unaudited)</u>	<u>January 31, 2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,947	\$ 8,130
Marketable securities	1,201	1,201
Accounts receivable	21	20
Current maturity of note receivable	6	8
Inventories	5,917	5,397
Prepaid income taxes	35	4
Prepaid expenses	266	284
Interest receivable	1	—
Total current assets	13,394	15,044
Property and equipment, net	12,110	12,197
Operating lease right of use assets	954	1,398
Finance lease assets, net	19	33
Intangible assets, net	41	41
Note receivable, less current maturities	8	9
Investment in real estate	692	716
Total assets	\$ 27,218	\$ 29,438
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 1,623	\$ 1,296
Current maturities of long-term debt	487	478
Current maturities of finance lease obligation	19	33
Accrued liabilities	983	3,269
Income taxes payable	12	40
Current operating lease liabilities	180	182
Deferred revenue	19	32
Total current liabilities	3,323	5,330
Net deferred income tax liabilities	970	958
Operating lease liabilities	735	1,177
Long-term debt, less current maturities	6,301	6,426
Total liabilities	11,329	13,891
Stockholders' equity:		
Preferred stock, \$0.001 par value; 1,000,000 shares authorized, none issued or outstanding at April 30, 2022 and January 31, 2022	—	—
Common stock, 0.001 par value; 10,000,000 shares authorized, 4,583,348 issued April 30, 2022 and January 31, 2022	5	5
Less: Treasury stock, 630,107 shares at April 30, 2022 and 628,615 shares at January 31, 2022	1	1
Common stock, 3,953,241 and 3,954,733 shares outstanding at April 30, 2022 and January 31, 2022, respectively	4	4
Additional paid in capital, net	8,867	8,874
Retained earnings	7,018	6,669
Total stockholders' equity	15,889	15,547
Total liabilities and stockholders' equity	\$ 27,218	\$ 29,438

See accompanying notes to condensed financial statements.

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

	Three Months Ended	
	April 30, 2022 (Unaudited)	April 30, 2021 (Unaudited)
Gross sales	\$ 10,611	\$ 9,639
Less discounts on sales	94	82
Net sales	10,517	9,557
Cost of goods sold	6,236	5,194
Gross profit	4,281	4,363
General and administrative expenses	(3,453)	(3,473)
Depreciation and amortization	(292)	(291)
Operating income	536	599
Other non-operating income (expense):		
Interest income	1	—
Interest expense	(75)	(85)
Gain on sale of assets	6	—
Rental income	14	21
Total non-operating income (expense)	(54)	(64)
Income before income tax expense	482	535
Income tax expense	(133)	(143)
Net income	\$ 349	\$ 392
Net income per share	\$ 0.09	\$ 0.10
Weighted average common shares outstanding	3,959,457	3,972,041

See accompanying notes to condensed financial statements.

**BOWLIN TRAVEL CENTERS, INC.**  
**Condensed Statements of Stockholders' Equity**  
(in thousands, except share data)  
**For the three months ended April 30, 2022**  
(Unaudited)

	Number of shares of Common stock outstanding	Common stock, at par	Additional paid-in capital	Retained earnings	Total
Balance at January 31, 2022	3,954,733	\$ 4	\$ 8,874	\$ 6,669	\$ 15,547
Net loss	—	—	—	349	349
Purchase of treasury stock	<u>(1,492)</u>	<u>—</u>	<u>(7)</u>	<u>—</u>	<u>(7)</u>
Balance at April 30, 2022	<u>3,953,241</u>	<u>\$ 4</u>	<u>\$ 8,867</u>	<u>\$ 7,018</u>	<u>\$ 15,889</u>

See accompanying notes to condensed financial statements.

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

	For the Three Months Ended	
	April 30, 2022 (Unaudited)	April 30, 2021 (Unaudited)
Cash flows from operating activities:		
Net (loss) income	\$ 349	\$ 392
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	292	291
Gain on sale of assets	(6)	—
Deferred income taxes	12	(18)
Changes in operating assets and liabilities, net	(2,534)	(426)
Net cash (used in) provided by operating activities	(1,887)	239
Cash flows from investing activities:		
Proceeds from sale of property and equipment	33	—
Purchases of property and equipment, net	(194)	(234)
Note receivable, net	3	3
Accrued interest receivable	(1)	—
Net cash used in investing activities	(159)	(231)
Cash flows from financing activities:		
Payments on long-term debt	(116)	(111)
Payments for finance lease obligation	(14)	(26)
Purchase of treasury stock	(7)	(12)
Net cash used in financing activities	(137)	(149)
Net decrease in cash and cash equivalents	(2,183)	(141)
Cash and cash equivalents at beginning of period	8,130	7,564
Cash and cash equivalents at end of period	\$ 5,947	\$ 7,423

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 ended April 2022 and 2021 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, 2022. Results of operations for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole.

2. On December 18, 2020 the Board of Director's voted to reinstate the Company's stock buyback program.

The Company repurchased 1,492 of its outstanding common shares, as treasury stock, for the three months ended April 30, 2022 at an average price per share of approximately \$4.97 for a total repurchase of \$7,407. The common shares issued and outstanding were reduced by 1,492 shares or \$1 (1,492 shares at \$0.001 per value per share), and additional paid in capital was reduced by approximately \$7,406. 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 1, 2022, the Company sold one of the sub-divided quarter-acre residential lots of land in Alamogordo, New Mexico. The lot sold for \$17,500, the carrying value was \$11,748 and the selling costs were \$2,485. The gain on the sale of the lot was \$3,267. On February 1, 2022, the Company sold an additional sub-divided quarter-acre residential lot of land in Alamogordo, New Mexico. The lot sold for \$17,500, the carrying value was \$11,748 and the selling costs were \$2,466. The gain on the sale of the lot was \$3,286.

4. Subsequent event. On December 9, 2021, the Company entered into a commercial purchase agreement to sell the property in Edgewood, New Mexico for \$600,000. The property closed on May 25, 2022.