

**BOWLIN TRAVEL CENTERS, INC.**

**Financial Statements**

**For the Quarterly Period Ended**

**July 31, 2023**

**(unaudited)**

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

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

	<u>July 31, 2023 (Unaudited)</u>	<u>January 31, 2023</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,230	\$ 7,323
Marketable securities	1,200	1,202
Accounts receivable	10	9
Current maturity of note receivable	13	10
Inventories	5,884	5,748
Prepaid income taxes	96	84
Prepaid expenses	256	351
Interest receivable	16	4
Total current assets	<u>14,705</u>	<u>14,731</u>
Property and equipment, net	11,843	11,873
Operating lease right of use assets	1,204	1,019
Intangible assets, net	43	40
Note receivable, less current maturities	--	3
Investment in real estate	327	308
Total assets	<u>\$ 28,122</u>	<u>\$ 27,974</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 1,229	\$ 996
Current maturity of long-term debt	455	469
Accrued liabilities	1,312	1,974
Income taxes payable	--	10
Current operating lease liabilities	202	117
Deferred revenue	14	27
Total current liabilities	<u>3,212</u>	<u>3,593</u>
Net deferred income taxes liabilities	1,040	999
Operating lease liabilities	963	864
Long-term debt, less current maturities	5,746	5,970
Total liabilities	<u>10,961</u>	<u>11,426</u>
Stockholders' equity:		
Preferred stock, \$0.001 par value; 1,000,000 shares authorized, none issued or outstanding at July 31, 2023 and January 31, 2023	—	—
Common stock, \$0.001 par value; 10,000,000 shares authorized, 4,583,348 issued and outstanding at July 31, 2023 and January 31, 2023	5	5
Less: Treasury stock, \$0.001 par value: 643,116 shares at July 31, 2023 and 639,595 shares at January 31, 2023	<u>1</u>	<u>1</u>
Common stock, 3,940,232 and 3,943,753 shares outstanding July 31, 2023 and January 31, 2023, respectively	4	4
Additional paid in capital, net	8,803	8,819
Retained earnings	<u>8,354</u>	<u>7,725</u>
Total stockholders' equity	<u>17,161</u>	<u>16,548</u>
Total liabilities and stockholders' equity	<u>\$ 28,122</u>	<u>\$ 27,974</u>

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>Six Months Ended</u>	
	<u>July 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>July 31,</u> <u>2022</u> <u>(Unaudited)</u>	<u>July 31,</u> <u>2023</u> <u>(Unaudited)</u>	<u>July 31,</u> <u>2022</u> <u>(Unaudited)</u>
Gross sales	\$ 11,366	\$ 13,053	\$ 20,953	\$ 23,664
Less discounts on sales	165	190	285	284
Net sales	11,201	12,863	20,668	23,380
Cost of goods sold	5,962	7,279	11,406	13,515
Gross profit	5,239	5,584	9,262	9,865
General and administrative expenses	(4,144)	(4,266)	(7,722)	(7,719)
Depreciation and amortization	(298)	(295)	(599)	(587)
Gain (loss) on sale of property and equipment	(8)	157	5	162
Operating income	789	1,180	946	1,721
Non-operating income (expense)				
Interest income	14	3	29	4
Interest expense	(69)	(86)	(137)	(162)
Rental income	22	6	28	21
Miscellaneous income	--	--	1	--
Total non-operating income (expense)	(33)	(77)	(79)	(137)
Income before income tax expense	756	1,103	867	1,584
Income tax expense	(200)	(266)	(238)	(399)
Net income	<u>\$ 556</u>	<u>\$ 837</u>	<u>\$ 629</u>	<u>\$ 1,185</u>
Net income per share	<u>\$ 0.14</u>	<u>\$ 0.21</u>	<u>\$ 0.16</u>	<u>\$ 0.30</u>
Weighted average common shares outstanding	<u>3,944,529</u>	<u>3,955,708</u>	<u>3,944,529</u>	<u>3,955,708</u>

See accompanying notes to condensed financial statements.

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

	<b>Number of shares of Common stock outstanding</b>	<b>Common stock, at par</b>	<b>Additional paid-in capital</b>	<b>Retained earnings</b>	<b>Total</b>
Balance at January 31, 2023	3,943,753	\$ 4	\$ 8,819	\$ 7,725	\$ 16,548
Net income	—	—	—	629	629
Purchase of treasury stock	<u>(3,521)</u>	<u>—</u>	<u>(16)</u>	<u>—</u>	<u>(16)</u>
Balance at July 31, 2023	<u>3,940,232</u>	<u>\$ 4</u>	<u>\$ 8,803</u>	<u>\$ 8,354</u>	<u>\$ 17,161</u>

See accompanying notes to condensed financial statements.

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

	<b>For the Six Months Ended</b>	
	<b>July 31, 2023 (Unaudited)</b>	<b>July 31, 2022 (Unaudited)</b>
Cash flows from operating activities:		
Net income	\$ 629	\$ 1,185
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	599	587
(Gain) loss on sale of assets	(5)	(162)
Deferred income taxes, net	41	3
Changes in operating assets and liabilities, net	(508)	(1,886)
Net cash provided by (used in) operating activities	756	(273)
Cash flows from investing activities:		
Proceeds from sale of assets	41	683
Purchases of property and equipment, net	(626)	(444)
Accrued interest receivable	(12)	(2)
Marketable securities, net	2	--
Note receivable, net	--	3
Net cash (used in) provided by investing activities	(595)	240
Cash flows from financing activities:		
Payments on long-term debt	(238)	(221)
Payments for finance lease obligation	--	(28)
Purchase of treasury stock	(16)	(20)
Net cash (used in) financing activities	(254)	(269)
Net decrease in cash and cash equivalents	(93)	(302)
Cash and cash equivalents at beginning of period	7,323	8,130
Cash and cash equivalents at end of period	\$ 7,230	\$ 7,828

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 six months ended July 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 3,521 of its outstanding common shares, as treasury stock, for the six months ended July 31, 2023 at an average price per share of approximately \$4.57 for a total repurchase of \$16,100. The common shares issued and outstanding were reduced by 3,521 shares or \$3 (3,521 shares at \$0.001 per value per share), and additional paid in capital was reduced by approximately \$16,097. 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.
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. Subsequent events: 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.

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