

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 January 5, 2025

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-41236

Pinstripes Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

1150 Willow Road, Northbrook, IL

(Address of Principal Executive Offices)

86-2556699

(I.R.S. Employer  
Identification No.)

60062

(Zip Code)

(847) 480-2323

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	PNST	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files).

Yes ☒ No ☐

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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 ☒

At February 17, 2025, there were 41,212,355 shares outstanding of Class A Common Stock with a par value \$0.0001 per share and there were no outstanding shares of Series B-1 Common Stock, Series B-2 Common Stock and Series B-3 Common Stock with a par value of \$0.001 per share.



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### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q (the "Quarterly Report") that reflect our current views with respect to future events and financial performance, business strategies, expectations for our business and any other statements of a future or forward-looking nature, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report may be forward-looking statements. These forward-looking statements include statements about the anticipated benefits of the Business Combination (as defined below) and our financial condition, results of operations, earnings outlook and prospects. Forward-looking statements appear in a number of places in this Quarterly Report including, without limitation, in the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Pinstripes Holdings.*"

In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this Quarterly Report are based on our current expectations and beliefs concerning future developments and their potential effects on us. You should not place undue reliance on these forward-looking statements. We cannot assure you that future developments affecting the Company will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some factors that could cause actual results to differ include, but are not limited to:

- risks related to our substantial indebtedness, including our ability to satisfy the financial and other covenants contained in the agreements governing such indebtedness and risks relating to the existing defaults under such agreements;

- our liquidity position and our ability to raise additional capital to fund future operational requirements or any acquisitions;
- our ability to recognize the anticipated benefits of the transactions consummated pursuant to the business combination agreement dated as of June 22, 2023 (as amended and restated as of September 26, 2023 and November 22, 2023) by and among Pinstripes Inc., Banyan Acquisition Corporation and Panther Merger Sub Inc. (the “Business Combination Agreement” and such transactions, the “Business Combination”);
- the risks related to our current growth strategy and our ability to successfully open and integrate new locations;
- risks related to our ability to continue as a going concern and raise additional capital;
- risks related to the capital intensive nature of our business, our ability to attract new customers and retain existing customers and the impact of pandemics and global economic trends, including the resulting labor shortage and inflation, on us;
- our success in retaining or recruiting, or changes required in our officers, key employees or directors in operating as a public company, including our ability to identify and retain a new Chief Financial Officer;
- our ability to maintain the listing of Pinstripes Class A Common Stock (as defined below) on the New York Stock Exchange (the “NYSE”);
- geopolitical risk and changes in applicable laws or regulations;
- the possibility that we may be adversely affected by other economic, business, and/or competitive factors;
- our estimates of expenses and profitability;
- operational risk;
- litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on our resources; and
- other risks and uncertainties indicated in this Quarterly Report, including those under the heading “*Risk Factors*” in our Annual Report on Form 10-K for the fiscal year ended April 28, 2024 (the “2024 Annual Report”), and other filings that have been made or will be made with the SEC by the Company, as applicable.

The foregoing list of factors is not exhaustive and additional factors may cause actual results to differ materially from current expectations. We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report. Should one or more of these risks or uncertainties materialize, or should any of the assumptions made by us prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. In addition, there may be additional risks that we presently do not know or that we currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements.

All subsequent written and oral forward-looking statements concerning matters addressed in this Quarterly Report and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Quarterly Report. We do not give any assurance that we will achieve our expectations. Investors and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which only speak as of the date made, are not a guarantee of future performance and are subject to a number of uncertainties, risks, assumptions and other factors, many of which are outside of our control. Except to the extent required by applicable law or regulation, we expressly disclaim any obligation and undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this Quarterly Report or to reflect the occurrence of unanticipated events. Stockholders should be aware that the occurrence of the events described in the section titled “*Risk Factors*” in the 2024 Annual Report and elsewhere in this Quarterly Report may adversely affect the Company.

**Part I - Financial Information**

**Pinstripes Holdings, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)

	(Unaudited) January 5, 2025	April 28, 2024
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 2,385	\$ 13,171
Accounts receivable	1,310	1,137
Inventories	1,007	949
Prepaid expenses and other current assets	3,386	2,101
Total current assets	8,088	17,358
Property and equipment, net	75,361	80,015
Operating lease right-of-use assets	76,443	66,362
Other long-term assets	2,971	3,586
Total assets	\$ 162,863	\$ 167,321
<b>Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Deficit</b>		
Current Liabilities		
Accounts payable	\$ 24,248	\$ 22,706
Amounts due to customers	8,059	8,633
Current portion of long-term notes payable	3,304	4,818
Accrued occupancy costs	13,102	6,508
Other accrued liabilities	13,487	6,546
Current portion of operating lease liabilities	10,575	15,259
Warrant liabilities	625	5,411
Short-term borrowings	95	—
Total current liabilities	73,495	69,881
Long-term notes payable	84,968	70,677
Long-term accrued occupancy costs	99	277
Operating lease liabilities	98,575	94,256
Other long-term liabilities	1,436	1,386
Total liabilities	258,573	236,477
Commitments and contingencies (Note 12)		
Stockholders' deficit		
Common stock (par value: \$0.0001; authorized: 430,000,000 shares; issued and outstanding: 41,039,549 shares at January 5, 2025 and 40,087,785 shares at April 28, 2024)	4	4
Additional paid-in capital	57,467	56,623
Accumulated deficit	(153,181)	(125,783)
Total stockholders' deficit	(95,710)	(69,156)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	\$ 162,863	\$ 167,321

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Pinstripes Holdings, Inc.**  
**Unaudited Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share amounts)

	Twelve Weeks Ended		Thirty-Six Weeks Ended	
	January 5, 2025	January 7, 2024	January 5, 2025	January 7, 2024
Food and beverage revenues	\$ 27,455	\$ 24,854	\$ 72,382	\$ 64,806
Recreation revenues	8,061	7,308	20,211	17,720
Total revenue	35,516	32,162	92,593	82,526
Cost of food and beverage	5,507	5,017	15,680	13,732
Store labor and benefits	11,746	10,831	33,712	29,465
Store occupancy costs, excluding depreciation	5,956	4,947	17,443	10,537
Other store operating expenses, excluding depreciation	5,901	5,140	16,615	14,696
General and administrative expenses	4,820	5,274	15,404	12,576
Depreciation expense	2,737	2,076	7,802	5,417
Pre-opening expenses	1,450	1,934	4,024	7,238
Impairment loss	634	—	634	—
Operating loss	(3,235)	(3,057)	(18,721)	(11,135)
Interest expense, net	(5,654)	(2,485)	(15,546)	(6,086)
Gain on change in fair value of warrant liabilities and other	707	17,790	6,955	19,140
Other expense	(35)	—	(83)	—
Income (loss) before income taxes	(8,217)	12,248	(27,395)	1,919
Income tax (benefit)	(138)	—	—	—
Net income (loss)	(8,079)	12,248	(27,395)	1,919
Less: Cumulative unpaid dividends and change in redemption amount of redeemable convertible preferred stock	—	(350)	—	(2,301)
Net income (loss) attributable to common stockholders	\$ (8,079)	\$ 11,898	\$ (27,395)	\$ (382)
Basic earnings (loss) per share	\$ (0.19)	\$ 0.35	\$ (0.64)	\$ (0.03)
Diluted earnings (loss) per share	\$ (0.19)	\$ 0.33	\$ (0.64)	\$ (0.03)
Weighted average shares outstanding, basic	43,578,234	15,784,141	43,129,555	13,324,330
Weighted average shares outstanding, diluted	43,578,234	37,061,006	43,129,555	13,324,330

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Pinstripes Holdings, Inc.**

**Unaudited Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit**  
(in thousands, except share and per share amounts)

<b>Thirty-Six Weeks Ended January 5, 2025</b>								
	<b>Redeemable Convertible Preferred Stock</b>		<b>Common Stock</b>		<b>Additional Paid-In Capital</b>	<b>Accumulated Deficit</b>	<b>Total Stockholders' Deficit</b>	
	<b>Shares</b>	<b>Amounts</b>	<b>Shares</b>	<b>Amounts</b>				
<b>Balance as of April 28, 2024</b>	—	\$ —	40,087,785	\$ 4	\$ 56,623	\$ (125,783)	\$	(\$ 69,156)
Net loss	—	—	—	—	—	(10,006)	—	(10,006)
Stock-based compensation	—	—	—	—	546	—	—	546
Transaction costs incurred in connection with the registration statements	—	—	—	—	(101)	—	—	(101)
Prior period adjustment	—	—	—	—	28	(3)	—	25
<b>Balance as of July 21, 2024</b>	—	\$ —	40,087,785	\$ 4	\$ 57,096	\$ (135,792)	\$	(\$ 78,692)
Net loss	—	—	—	—	—	(9,310)	—	(9,310)
Stock-based compensation	—	—	—	—	519	—	—	519
Transaction costs incurred in connection with the registration statements	—	—	—	—	25	—	—	25
Reclassification of liability-classified warrants	—	—	—	—	(1,864)	—	—	(1,864)
Issuance of contingently issuable warrants	—	—	—	—	401	—	—	401
Issuance of warrants	—	—	—	—	67	—	—	67
<b>Balance as of October 13, 2024</b>	—	\$ —	40,087,785	\$ 4	\$ 56,244	\$ (145,102)	\$	(\$ 88,854)
Net loss	—	—	—	—	—	(8,079)	—	(8,079)
Stock-based compensation	—	—	—	—	1,165	—	—	1,165
Adjustment related to reverse recapitalization	—	—	—	—	58	—	—	58
Vesting of restricted stock awards, net of shares withheld for taxes	—	—	446,846	—	—	—	—	—
Issuance of shares to cover withholding taxes of vested restricted stock awards and related fees	—	—	504,918	—	—	—	—	—
<b>Balance as of January 5, 2025</b>	—	\$ —	41,039,549	\$ 4	\$ 57,467	\$ (153,181)	\$	(\$ 95,710)

<b>Thirty-Six Weeks Ended January 7, 2024</b>								
	<b>Redeemable Convertible Preferred Stock</b>		<b>Common Stock</b>		<b>Additional Paid-In Capital</b>	<b>Accumulated Deficit</b>	<b>Total Stockholders' Deficit</b>	
	<b>Shares<sup>(1)</sup></b>	<b>Amounts</b>	<b>Shares<sup>(1)</sup></b>	<b>Amounts</b>				
<b>Balance as of April 30, 2023, as previously reported</b>	10,203,945	\$ 53,468	6,178,962	\$ 62	\$ 3,733	\$ (118,793)	\$	(\$ 114,998)
Retroactive application of reverse recapitalization	8,659,145	—	5,243,514	(61)	61	—	\$	—
<b>Balance as of April 30, 2023, after effect of the reverse recapitalization</b>	18,863,090	\$ 53,468	11,422,476	\$ 1	\$ 3,794	\$ (118,793)	\$	(\$ 114,998)

**Pinstripes Holdings, Inc.**
**Unaudited Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit**  
(in thousands, except share and per share amounts)

Net loss	—	—	—	—	—	(3,046)	(3,046)
Issuance of Series I Redeemable Convertible Preferred Stock	1,988,620	18,463	—	—	—	—	—
Accretion of cumulative dividends on Series I Redeemable Convertible Preferred Stock	—	134	—	—	(134)	—	(134)
Change in the redemption value of the Redeemable Convertible Preferred Stock	—	1,423	—	—	(1,423)	—	(1,423)
Stock-based compensation	—	—	—	—	141	—	141
<b>Balance as of July 23, 2023</b>	<b>20,851,710</b>	<b>\$ 73,488</b>	<b>11,422,476</b>	<b>\$ 1</b>	<b>\$ 2,378</b>	<b>\$(121,839)</b>	<b>\$ (119,460)</b>
Net loss	—	—	—	—	—	(7,283)	(7,283)
Issuance of warrants	—	—	—	—	173	—	173
Reclassification of liability-classified warrants	—	—	—	—	(1,834)	—	(1,834)
Issuance of Series I Redeemable Convertible Preferred Stock	138,000	1,380	—	—	—	—	—
Accretion of cumulative dividends on Series I Redeemable Convertible Preferred Stock	—	394	—	—	(394)	—	(394)
Stock-based compensation	—	—	—	—	220	—	220
<b>Balance as of October 15, 2023</b>	<b>20,989,710</b>	<b>75,262</b>	<b>11,422,476</b>	<b>1</b>	<b>543</b>	<b>\$(129,122)</b>	<b>\$ (128,578)</b>
Net income	—	—	—	—	—	12,248	12,248
Issuance of warrants	—	—	—	—	23	(23)	—
Reclassification of liability-classified warrants	—	—	—	—	940	—	940
Accretion of cumulative dividends on Series I redeemable convertible preferred stock	—	350	—	—	(350)	—	(350)
Exercise of stock options	—	—	45,322	—	—	—	—
Exercise of warrants	—	—	296,053	—	2,203	—	2,203
Conversion of cumulative unpaid dividends on Series I redeemable convertible preferred stock to common stock in connection with the reverse recapitalization	—	(878)	87,755	—	878	—	878
Conversion of redeemable convertible preferred stock to common stock in connection with the reverse recapitalization	(20,989,710)	(74,734)	20,989,710	2	74,732	—	74,734
Conversion of warrants into common stock in connection with the reverse recapitalization	—	—	655,213	—	—	—	—
Conversion of long-term notes payable and accrued interest to common stock in connection with the reverse recapitalization	—	—	924,304	—	5,000	—	5,000
Forfeiture of accrued interest in connection with the conversion of long-term notes payable	—	—	—	—	890	—	890
Issuance of common stock in the reverse recapitalization pursuant to the BCA	—	—	5,447,203	1	(1)	—	—
Transfer of warrants related to business combination	—	—	—	—	(29,824)	—	(29,824)



**Pinstripes Holdings, Inc.**  
**Unaudited Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit**  
(in thousands, except share and per share amounts)

Transaction costs incurred in connection with the reverse recapitalization	—	—	—	—	(23,362)	—	(23,362)
Issuance of common stock as payment for Legacy Pinstripes transaction costs incurred in connection with the reverse recapitalization	—	—	50,000	—	—	—	—
Issuance of common stock as settlement for the unpaid accrued interest on the convertible notes	—	—	13,749	—	138	—	138
Issuance of warrants in connection with the reverse recapitalization	—	—	—	—	24,592	—	24,592
Stock-based compensation	—	—	—	—	254	—	254
<b>Balance as of January 7, 2024</b>	—	—	39,931,785	4	56,656	(116,896)	(60,236)

<sup>(1)</sup> The number of shares of Redeemable Convertible Preferred Stock and Common Stock issued and outstanding prior to the Reverse Recapitalization have been retroactively adjusted by the Exchange Ratios to give effect to the Reverse Recapitalization. See Note 2.

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Pinstripes Holdings, Inc.**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
(in thousands)

	Thirty-Six Weeks Ended	
	January 5, 2025	January 7, 2024
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ (27,395)	\$ 1,919
<b>Adjustments to reconcile net loss to net cash used in operating activities</b>		
Gain on modification of operating leases	—	(3,281)
Depreciation expense	7,802	5,417
Non-cash operating lease expense	4,404	4,048
Paid-in-kind interest	8,078	—
Operating lease tenant allowances	339	3,789
Stock-based compensation	2,230	615
Gain on change in fair value of warrant liabilities and other	(6,955)	(19,305)
Warrant expense	28	—
Interest on finance lease obligation	39	—
Amortization of debt issuance costs	1,992	1,425
Franchise tax expense	(150)	—
Impairment loss	634	—
(Increase) decrease in operating assets		
Accounts receivable	(172)	(741)
Inventories	(58)	(126)
Prepaid expenses and other current assets	(1,178)	(1,265)
Operating right-of-use asset	(2,825)	—
Other long-term assets	616	(5,808)
(Decrease) increase in operating liabilities		
Accounts payable	9,430	6,400
Amounts due to customers	(574)	(10)
Accrued occupancy costs	6,415	(3,954)
Other accrued liabilities	6,837	1,867
Operating lease liabilities	(12,025)	(6,808)
<b>Net cash (used in) operating activities</b>	<b>(2,488)</b>	<b>(15,818)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(11,074)	(14,771)
<b>Net cash (used in) investing activities</b>	<b>(11,074)</b>	<b>(14,771)</b>
<b>Cash flows from financing activities</b>		
Proceeds from warrant exercises	—	1
Proceeds from warrant issuances	67	24,592
Proceeds from issuance of redeemable convertible preferred stock, net	—	19,843
Payment of transaction costs incurred in connection with the registration statements	(25)	(23,437)
Principal payments on finance lease obligation	(128)	—
Principal payments on long-term notes payable	(2,132)	(466)
Debt issuance costs	76	(773)
Proceeds from long-term notes payable, net	4,823	40,440
Proceeds from short-term borrowings	95	—
<b>Net cash provided by financing activities</b>	<b>2,776</b>	<b>61,790</b>
<b>Net change in cash and cash equivalents</b>	<b>(10,786)</b>	<b>31,201</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>13,171</b>	<b>8,436</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,385</b>	<b>\$ 39,637</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest	\$ 5,106	\$ 5,241
Cash paid for income taxes	\$ 61	\$ —
<b>Supplemental disclosures of non-cash operating, investing and financing activities</b>		

**Pinstripes Holdings, Inc.**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
(in thousands)

Conversion of long-term notes payable and accrued interest to common stock	\$	—	\$	5,137
Forfeiture of accrued interest in connection with the conversion of long-term notes payable	\$	—	\$	890
Reclassification of warrant liability in connection with the reverse recapitalization	\$	—	\$	940
Conversion of preferred stock to common stock in connection with the reverse recapitalization	\$	—	\$	75,501
Transaction costs incurred in connection with the registration statements but not yet paid	\$	50	\$	388
Transfer of warrants related to business combination	\$	—	\$	29,824
Conversion of Legacy Pinstripes common stock in connection with the reverse recapitalization	\$	—	\$	180
Operating lease rent abatement	\$	—	\$	3,214
Right-of-use assets obtained in exchange for lease liabilities	\$	11,660	\$	5,963
Non-cash finance obligation	\$	911	\$	1,270
Issuance of contingently issuable warrants	\$	401	\$	—
Reclassification of liability-classified warrants	\$	1,864	\$	—
Non-cash capital expenditures included in accounts payable	\$	7,864	\$	2,198
Change in the redemption amount of the redeemable convertible preferred stock	\$	—	\$	1,423
Accretion of cumulative dividends on Series I redeemable convertible preferred stock	\$	—	\$	878

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Pinstripes Holdings, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
**(Dollars in thousands, except share and per share amounts)**  
**Twelve and Thirty-Six Weeks Ended January 5, 2025 and January 7, 2024**

**Note 1 – Nature of Business and Basis of Presentation**

Pinstripes Holdings, Inc. (“Pinstripes”, “New Pinstripes”, the “Company”, “we”, “us”, or “our”) was formed for the purpose of operating and expanding a unique entertainment and dining concept. As of January 5, 2025, the Company has 18 locations in ten states and Washington D.C. and generates revenue primarily from the sale of food, beverages, bowling, bocce and hosting private events. The Company operates its business as one operating and one reportable segment.

On December 29, 2023, Pinstripes, Inc. (the “Predecessor” or “Legacy Pinstripes”) consummated the previously announced business combination pursuant to the Business Combination Agreement, dated as of June 22, 2023 (as amended and restated as of September 26, 2023 and November 22, 2023, the “BCA” or “Business Combination”), by and among Legacy Pinstripes, Banyan Acquisition Corporation, a Delaware corporation (“Banyan”), and Panther Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of Banyan. The financial statements included in this report reflect (i) the historical operating results of Legacy Pinstripes prior to the Business Combination and (ii) the combined results of Legacy Pinstripes and New Pinstripes following the closing of the Business Combination (collectively, Legacy Pinstripes and New Pinstripes are referred to as the “Company”). In connection with the closing of the Business Combination, Banyan changed its name to Pinstripes Holdings, Inc. (see Note 2).

The closing of the Business Combination is accounted for as a reverse recapitalization. The prior period share and per share amounts presented in the unaudited condensed consolidated financial statements and related notes have been retroactively adjusted to give effect to the reverse recapitalization treatment of the transactions completed by the Business Combination.

***Principles of Consolidation***

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its directly and indirectly wholly owned subsidiaries: Pinstripes, Inc., Pinstripes at Prairiefire, Inc., Pinstripes Illinois, LLC, and Pinstripes, Hillsdale, LLC. All intercompany accounts and transactions have been eliminated in consolidation.

***Fiscal Years***

The Company’s fiscal year consists of 52/53-weeks ending on the last Sunday in April. The fiscal year ended April 28, 2024 contained 52 weeks. In a 52-week fiscal year, the first, second and third fiscal quarters each contain twelve weeks and the fourth fiscal quarter contains sixteen weeks. In a 53-week fiscal year, the first, second and third fiscal quarters each contain twelve weeks and the fourth fiscal quarter contains seventeen weeks.

***Interim Financial Statements***

The Company’s financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) in the United States for interim financial information as prescribed by the Securities and Exchange Commission (“SEC”). Accordingly, they do not include all the information and notes required by GAAP for complete financial statements. 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.

Certain information and footnote disclosures normally included in annual financial statements presented in accordance with GAAP have been omitted pursuant to rules and regulations of the SEC. Due to the seasonality of the Company’s business, results for any interim financial period are not necessarily indicative of the results that may be achieved for a full fiscal year. In addition, quarterly results of operations may be impacted by the timing and amount of sales and costs associated with opening new locations.

These interim unaudited condensed consolidated financial statements do not represent complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto for the fiscal year ended April 28, 2024, included in the 2024 Annual Report, which was filed with the SEC on June 28, 2024.

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***Use of Estimates***

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

***Cash and cash equivalents***

Management considers transaction settlements in process from credit card companies and all highly-liquid investments with original maturities of three months or less to be cash equivalents. Amounts due from credit card transactions with settlement terms of less than five days are included in cash and cash equivalents. Credit and debit card receivables included within cash were \$858 and \$1,624 as of January 5, 2025 and April 28, 2024, respectively.

***Revenue***

Food and beverage revenues and recreation revenues are recognized when payment is tendered at the point of sale as the performance obligation has been satisfied. Food and beverage revenues include the sale of food and beverage products. Recreation revenues include bowling and bocce sales. Revenues are recognized net of discounts and taxes. Event deposits received from guests are deferred and recognized as revenue when the event is held. Event deposits received from customers in advance are included in amounts due to customers in the condensed consolidated balance sheets in the amounts of \$5,443 as of January 5, 2025 and \$6,640 as of April 28, 2024.

The Company sells gift cards, which do not have expiration dates, and does not deduct non-usage fees from outstanding gift card balances. Gift card sales are initially recorded by the Company as a liability and subsequently recognized as revenue upon redemption by the customer. For unredeemed gift cards that the Company expects to be entitled to breakage and for which there is no legal obligation to remit the unredeemed gift card balances to the relevant jurisdictions, the Company recognizes expected breakage as revenue in proportion to the pattern of redemption by the customers. The determination of the gift card breakage is based on the Company's specific historical redemption patterns. The contract liability related to our gift cards is included in amounts due to customers in the condensed consolidated balance sheets in the amounts of \$2,616 as of January 5, 2025 and \$1,993 as of April 28, 2024. The components of gift card revenue were as follows:

	Twelve Weeks Ended		Thirty-Six Weeks Ended	
	January 5, 2025	January 7, 2024	January 5, 2025	January 7, 2024
Redemptions, net of discounts	\$ 978	\$ 472	\$ 2,013	\$ 1,355
Breakage	\$ 278	\$ 339	\$ 518	\$ 584
Gift card revenue, net	\$ 1,256	\$ 811	\$ 2,531	\$ 1,939

Revenues are reported net of sales tax collected from customers. Sales tax collected is included in other accrued liabilities on the condensed consolidated balance sheets until the taxes are remitted to the appropriate taxing authorities.

***Pre-opening costs***

Pre-opening costs, which are expensed as incurred, consist of expenses prior to opening a new store location and are made up primarily of manager salaries, relocation costs, recruiting expenses, payroll and training costs, marketing and travel costs. These costs also include occupancy costs recorded during the period between the date of possession and the date we begin operations at a location. Pre-opening costs were \$1,450 and \$4,024 for the twelve and thirty-six weeks ended January 5, 2025, respectively, compared to \$1,934 and \$7,238 for the twelve and thirty-six weeks ended January 7, 2024, respectively. The decrease was due to fewer locations under construction during the period.

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***Common and preferred stock***

In connection with the Reverse Recapitalization (see Note 2), the following classes of common (collectively, the Class A Common Stock, Series B-1 Common Stock, Series B-2 Common Stock and Series B-3 Common Stock, are referred to as “Common Stock”) and preferred stock were authorized:

- 400,000,000 shares of Class A Common Stock at a par value of \$0.0001 per share, of which 41,039,549 shares were issued and outstanding as of January 5, 2025
- 10,000,000 shares of Series B-1 Common Stock at a par value of \$0.0001 per share, of which no shares were issued and outstanding as of January 5, 2025
- 10,000,000 shares of Series B-2 Common Stock at a par value of \$0.0001 per share, of which no shares were issued and outstanding as of January 5, 2025
- 10,000,000 shares of Series B-3 Common Stock at a par value of \$0.0001 per share, of which no shares were issued and outstanding as of January 5, 2025
- 10,000,000 shares of preferred stock at a par value of \$0.0001 per share, of which no shares were issued and outstanding as of January 5, 2025

***Recently adopted and issued accounting standards***

In November 2023, the FASB issued Update 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This Update applies to all public entities that are required to report segment information in accordance with Topic 280. The amendments in this Update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this Update do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The standard should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting this new standard.

In December 2023, the FASB issued Update 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This Update applies to all entities that are subject to Topic 740. The amendments in this Update improve income tax disclosures primarily related to the rate reconciliation and income taxes paid information as well as the effectiveness of certain other income tax disclosures. The new standard is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The standard should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the impact of adopting this new standard.

In November 2024, the FASB issued Update 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses." The amendments in this Update require public business entities disclose in the notes to the financial statements specified information about certain costs and expenses. The amendments in this Update do not change or remove current expense disclosure requirements. The new standard is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adopting this new standard.

In November 2024, the FASB issued Update 2024-04, Debt-Debt with Conversions and Other Option. This Update is intended to clarify requirements for determining whether certain settlements of convertible debt instruments, including convertible debt instruments with cash conversion features or convertible debt instruments that are not currently convertible, should be accounted for as an induced conversion. This Update is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the potential impact of adopting this new standard.

Management reviewed the accounting pronouncements that became effective for the third quarter of fiscal year 2025 and determined that either they were not applicable, or they did not have a material impact on the condensed consolidated

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financial statements. Management also reviewed the recently issued accounting pronouncements to be adopted in future periods and determined that they are not expected to have a material impact on the condensed consolidated financial statements.

**Note 2 – Reverse Recapitalization**

The consummation of the Business Combination was accounted for as a reverse recapitalization in accordance with GAAP (“Reverse Recapitalization”). Under this method of accounting, Banyan is treated as the “acquired” company. Accordingly, for accounting and financial reporting purposes, the financial statements of the combined entity, New Pinstripes, represent a continuation of the condensed consolidated financial statements of Legacy Pinstripes, with the transaction treated as the equivalent of Legacy Pinstripes issuing stock for the net assets of Banyan, accompanied by a recapitalization. The net assets of Banyan are stated at historical cost, which approximates fair value, with no goodwill or other intangible assets recorded. Legacy Pinstripes was determined to be the accounting acquirer due to (i) Legacy Pinstripes’ stockholders comprising the relative majority of the voting power of the combined entity and having the ability to nominate the substantial majority of the board of directors of New Pinstripes, (ii) Legacy Pinstripes’ operations prior to the Reverse Recapitalization comprising the only ongoing operations of the combined entity, and (iii) Legacy Pinstripes’ senior management comprising the senior management of the combined company.

In connection with the closing of the Business Combination:

- Immediately prior to the consummation of the Reverse Recapitalization (i) each of the issued and outstanding 11,089,695 shares of Legacy Pinstripes Redeemable Convertible Preferred Stock (including the 850,648 shares of Legacy Pinstripes Series I Redeemable Convertible Preferred Stock and the 35,102 shares payable for the settlement of the cumulative unpaid dividends thereon) were converted into 11,089,695 shares of Legacy Pinstripes Common Stock; (ii) each of the issued and outstanding 354,436 Legacy Pinstripes warrants were converted into 354,436 shares of Legacy Pinstripes Common Stock; and (iii) each of Legacy Pinstripes outstanding principal convertible note obligations were converted into 500,000 shares of Legacy Pinstripes Common Stock (collectively, the “Conversion Shares”);
- Each of the issued and outstanding 17,422,009 shares of Legacy Pinstripes Common Stock held by the Legacy Pinstripes stockholders, including the Conversion Shares, with the exception of the 885,750 shares of Legacy Pinstripes Common Stock issued upon conversion of Legacy Pinstripes Series I Redeemable Convertible Preferred Stock (the “Series I Investors”), were cancelled and converted into 32,206,458 shares of New Pinstripes Class A Common Stock, after giving effect to an exchange ratio of approximately 1.8486 shares of New Pinstripes Class A Common Stock for each share of Legacy Pinstripes as set forth in the BCA (the “Exchange Ratio”);
- Each of the issued and outstanding 885,750 shares of Legacy Pinstripes Common Stock held by the Series I Investors were cancelled and converted into 2,214,375 shares of New Pinstripes Class A Common Stock after giving effect to an exchange ratio of approximately 2.5 shares of New Pinstripes Class A Common Stock for each share of Legacy Pinstripes as set forth in the BCA (the “Series I Exchange Ratio”) (collectively, the Exchange Ratio and the Series I Exchange Ratios are referred to as the “Exchange Ratios”);
- All 32,203 of the issued and outstanding shares of Banyan Redeemable Class A Common Stock held by Banyan stockholders were re-issued as 32,203 shares of New Pinstripes Class A Common Stock;
- Banyan stockholders forfeited an aggregate of 2,768,750 shares of the issued and outstanding Banyan Class A Common Stock which were re-issued as (i) 1,242,975 shares of New Pinstripes Class A Common Stock to the Legacy Pinstripes stockholders (other than the Series I Investors), (ii) 507,025 shares of New Pinstripes Class A Common Stock to the Series I Investors and (iii) 1,018,750 shares of Class A Common Stock to the certain investors in Banyan who agreed not to redeem their respective shares of Banyan Class A Common Stock in connection with Banyan’s extension meeting held on April 21, 2023;
- Each of the remaining issued and outstanding 3,665,000 shares of Banyan Class A Common Stock held by the Banyan stockholders were re-issued as 3,665,000 shares of New Pinstripes Common Stock;
- All of the 2,722,593 issued and outstanding vested and unvested Legacy Pinstripes options held by the Legacy Pinstripes stockholders were converted into New Pinstripes options exercisable for 5,032,434 shares of New

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Pinstripes Common Stock, after giving effect to the Exchange Ratio, at an exercise price per share equal to the Legacy Pinstripes option exercise price divided by the Exchange Ratio; and

- 50,000 shares of New Pinstripes Class A Common Stock were issued to a third party as payment for \$500 of transaction costs incurred by Legacy Pinstripes in connection with the closing of the business combination.

Pursuant to the BCA, an aggregate of (i) 1,485,000 of the issued and outstanding shares of Banyan Class A Common Stock and 345,000 of the issued and outstanding shares of Banyan Class B Common Stock held by the Banyan stockholders were re-issued as 1,830,000 shares of New Pinstripes Class B Common Stock, subject to vesting based upon satisfaction of stock trading price conditions (“Sponsor Earnout Shares”), (ii) 5,000,000 shares of New Pinstripes Class B Common Stock were issued to Legacy Pinstripes stockholders, subject to vesting based upon satisfaction of stock trading price conditions (“Target Earnout Shares”), and (iii) 4,000,000 shares of New Pinstripes Class B Common Stock were issued to Legacy Pinstripes stockholders, subject to vesting based upon financial performance in calendar 2024 (“EBITDA Earnout Shares” and together with the Sponsor Earnout Shares and the Target Earnout Shares, the “Earnout Shares”). The Earnout Shares, which will convert into New Pinstripes Class A Common Stock if the conditions described herein are met, are subject to forfeiture if the respective achievement of the specified targets are not met, are classified in stockholders’ equity as the Earnout Shares were determined to be indexed to New Pinstripes Class A Common Stock and meet the requirements for equity classification. As the specific targets required for the vesting of the EBITDA Earnout Shares will not have been met, on the day immediately following the date of issuance of these financial statements, all EBITDA Earnout Shares will, automatically, without any further action on the part of any holder thereof, the Company or any other person, be forfeited, cancelled and transferred to the Company, without consideration.

In connection with the Reverse Recapitalization, Pinstripes entered into a loan agreement with Oaktree Fund Administration, LLC (“Oaktree”) under which Pinstripes obtained a senior secured term loan in the principal amount of \$50,000 (see Note 5) and issued warrants to purchase 2,500,000 shares of New Pinstripes Class A Common Stock at an exercise price of \$0.01 per share (“Oaktree Tranche 1 Warrants”). Management evaluated the warrants and concluded the meet the criteria for equity classification (see Note 10).

The number of shares of New Pinstripes Class A Common Stock issued immediately following the consummation of the Reverse Capitalization was as follows:

	Shares
Legacy Pinstripes stockholders <sup>(1)</sup>	33,449,433
Banyan stockholders <sup>(2)</sup>	3,697,203
Series I Investors	2,721,400
Other	50,000
<b>Total shares of New Pinstripes Class A Common Stock outstanding immediately following the Reverse Recapitalization</b>	<b>39,918,036</b>

<sup>(1)</sup> Excludes the 5,000,000 Target Earnout Shares and the 4,000,000 EBITDA Earnout shares subject to forfeiture if the achievement of certain targets is not met.

<sup>(2)</sup> Includes the 1,018,750 shares of New Pinstripes Class A Common Stock to certain investors in Banyan who agreed not to redeem their respective shares of Banyan Class A Common Stock in connection with Banyan’s extension meeting held on April 21, 2023 and excludes the 1,830,000 Sponsor Earnout Shares subject to forfeiture if the achievement of certain targets is not met.

### **Transaction Costs**

During the twelve and thirty-six weeks ended January 5, 2025, the Company incurred \$0 and \$76, respectively, for transaction costs incurred in connection with the S-1 registration statement. During the twelve and thirty-six weeks ended January 7, 2024, the Company incurred \$20,191 and \$24,317, respectively, for transaction costs incurred in connection with the Reverse Recapitalization. The transaction costs primarily represent fees incurred for financial advisory, legal and other professional services. Of the total transaction costs incurred during the thirty-six weeks ended January 5, 2025, \$25 have been paid and reflected as a cash outflow from financing activities. Of the total transaction costs incurred during the



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thirty-six weeks ended January 7, 2024, \$23,437 have been paid and reflected as a cash outflow from financing activities for the thirty-six weeks ended January 7, 2024.

During the fiscal year ended April 28, 2024, the Company incurred \$24,317 for transaction costs incurred in connection with the Reverse Recapitalization, inclusive of Banyan incurred transaction costs, and \$635 for transaction costs incurred with the S-1 and S-8 registration statements. Transaction costs are reported as a reduction of additional paid-in capital on the condensed consolidated balance sheets as of January 5, 2025 and April 28, 2024, excluding \$940 reported as prepaid and other current assets related to director and officer insurance for the Company and Banyan as well as \$53 of taxes payable related to the consummation of the Business Combination.

***Retroactive Application of Reverse Recapitalization***

The Business Combination is accounted for as a reverse recapitalization of equity. Accordingly, the prior period share and per share amounts presented in the condensed consolidated financial statements and related notes have been retroactively adjusted to give effect to the Reverse Recapitalization.

***Retroactive Application of Reverse Recapitalization to the Unaudited Condensed Consolidated Statements of Operations***

The weighted average shares during the twelve and thirty-six weeks ended January 7, 2024 have been recalculated to give effect to the retroactive application of the Reverse Recapitalization on the outstanding shares. Accordingly, the basic and diluted weighted-average Legacy Pinstripes Common Stock were retroactively converted to New Pinstripes Common Stock.

***Retroactive Application of Reverse Recapitalization to the Unaudited Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit***

The unaudited condensed consolidated statements of redeemable convertible preferred stock and stockholders' deficit for the twelve and thirty-six weeks ended January 7, 2024 have been recast to reflect the number of New Pinstripes Common Stock issued to Legacy Pinstripes stockholders in connection with the Reverse Recapitalization at the New Pinstripes Common Stock par value of \$0.0001. The number of Legacy Pinstripes' Redeemable Convertible Preferred Stock and Legacy Pinstripes' Common Stock have been recast after giving effect to the Exchange Ratio in connection with the Reverse Recapitalization, and the related impacts to common stock and additional paid-in-capital for the change in par value.

**Note 3 – Inventory**

Inventories consist of the following:

	January 5, 2025	April 28, 2024
Beverage	\$ 696	\$ 672
Food	311	277
Total	<u>\$ 1,007</u>	<u>\$ 949</u>

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**Note 4 – Property and Equipment**

Property and equipment, net is summarized as follows:

	January 5, 2025	April 28, 2024
Leasehold improvements	\$ 87,902	\$ 84,747
Furniture, fixtures, and equipment	54,616	50,355
Building and building improvements	7,000	7,000
Finance lease	255	—
Software	99	18
Construction in progress	4,900	9,557
Total cost	154,772	151,677
Less: accumulated depreciation	(79,411)	(71,662)
Property and equipment, net	\$ 75,361	\$ 80,015

During the twelve and thirty-six weeks ended January 5, 2025, the Company capitalized interest expense of \$128 and \$339, respectively, into construction in progress.

During the twelve and thirty-six weeks ended January 5, 2025, the Company recorded an impairment loss of \$634 on construction in progress due to the termination of a lease that had not yet commenced. The impairment loss was recorded at cost as the assets are no longer usable with the termination of the lease.

Construction in progress relates to new locations under construction.

**Note 5 – Debt**

Long-term notes payable consists of the following:

	January 5, 2025	April 28, 2024
PPP and SBA loans	\$ 500	\$ 500
Term loans	35,582	34,300
Equipment loan	15,888	16,500
Senior notes	64,478	53,430
Finance obligations	5,920	6,124
Other	326	74
Less: unamortized debt issuance costs and discounts	(34,422)	(35,433)
Total	88,272	75,495
Less: current portion of long-term notes payable	(3,304)	(4,818)
Long-term notes payable	\$ 84,968	\$ 70,677

**PPP & SBA Loans**

In April 2020, the Company executed a loan pursuant to the Paycheck Protection Program (“PPP”) loans, which was administered by the Small Business Association (“SBA”) under the CARES Act and the PPP Flexibility Act of 2020, for \$7,725.

During the fiscal year ended April 25, 2021, the Company executed three PPP loans totaling \$3,265. Each PPP loan matures two years after issuance. The interest rate on each PPP loan is 1.0% annually.

As authorized by the provisions of the CARES Act, the Company applied for and received forgiveness of a portion of the PPP loans during the fiscal year ended April 30, 2023. As such, the Company recorded a gain on the extinguishment of debt for \$8,458, which includes accrued interest during the fiscal year ended April 30, 2023. As of January 5, 2025 and April 28, 2024, the principal outstanding related to these loans was approximately \$500.

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***Term Loans***

On March 7, 2023, the Company entered into a term loan facility (the “Silverview Facility”), consisting of two tranches and detachable warrants (see Note 10), with Silverview Credit Partners LP (“Silverview”) for \$35,000 (the “Silverview Tranche 1 Loan”) that matures on June 7, 2027. As part of the transaction, the Company repaid \$5,598 of term loans with Live Oak Banking Company. The interest rate on the term loan is 15%, which is payable monthly, and is collateralized by a first lien security interest in the assets of the business. At each six-month interval beginning in March of fiscal year 2024, the Company began repaying the principal amount. In March 2024 and September 2024, the Company made principal payments of \$700 and \$740, respectively.

The Silverview Facility provides for a second tranche (the “Silverview Tranche 2 Loan”) that allows the Company to draw an additional \$12,500 solely during the Silverview Tranche 2 Loan availability period which ends on the earlier of September 7, 2024, or the date on which obligations shall become due and payable in full per the loan agreement. Under the Silverview Tranche 2 Loan, the Company can borrow \$2,500 per draw for each of five new store openings (\$12,500 in aggregate).

On August 1, 2023, the Company and Silverview entered into an agreement whereby the Company agreed to grant Silverview warrants to purchase shares of the Company’s Common Stock issuable and exercisable by Silverview if the Company obtains additional funding under the Silverview Tranche 2 Loan. Simultaneously, the Company amended and restated its existing warrant agreement (see Note 10). The Company determined that the amendment was treated as a debt modification and accordingly, no gain or loss was recognized.

On July 27, 2023, September 29, 2023, October 20, 2023 and December 29, 2023 the Company received \$1,000, \$1,500, \$5,000 and \$5,000 respectively, in additional debt proceeds from Silverview under the Silverview Tranche 2 Loan to fund expansion, which bear interest at 15% and will be payable in full on June 7, 2027. Upon the issuance of each Silverview Tranche 2 Loan, the Company reduced the Silverview Tranche 2 Loan commitment asset for the proportional amount received and presents the amounts as a debt issuance costs and a reduction of the borrowing proceeds (i.e., a debt discount). As of April 28, 2024, the Company had drawn the total \$12,500 available under the Silverview Tranche 2 Loan. As such, all of the remaining loan commitment asset of \$1,203 has been reclassified to debt discount of \$559 and debt issuance costs of \$644.

On September 3, 2024, the Company and Silverview entered into the Sixth Amendment (the “Silverview Sixth Amendment”) to the Silverview Facility dated March 7, 2023. The Sixth Amendment provides for a third tranche loan (the “Silverview Tranche 3 Loan”) of \$2,000, made on September 3, 2024 and matures on June 7, 2027. The Silverview Tranche 3 Loan bears an interest rate per annum equal to 15%. Additionally, the Company agreed to grant Silverview warrants to purchase 29,292 shares of the Company’s Class A Common Stock (see Note 10). The Company determined that the amendment was treated as a debt modification and accordingly, no gain or loss was recognized. The Company recorded a debt discount of \$177.

As of April 28, 2024, the Company incurred debt issuance costs and discounts, net of amortization, of \$4,400, of which \$1,510 was debt issuance costs, \$2,890 was debt discount on the consolidated balance sheets.

As of January 5, 2025, the Company has recorded debt issuance costs and discounts, net of amortization, of \$3,380, of which \$1,154 was debt issuance costs and \$2,226 was debt discount on the condensed consolidated balance sheets.

Subsequent to period end, on January 17, 2025, the Company and Silverview entered into the Seventh Amendment (the “Silverview Seventh Amendment”) to the Silverview Facility (see Note 14).

***Equipment Loan***

On April 19, 2023, the Company entered into a subordinated equipment loan (the “Granite Creek Facility”) of \$11,500 and detachable warrants (see Note 10) with Granite Creek Capital Partners LLC (“Granite Creek”) that matures on April 19, 2028. The interest rate on the loan is 12% and is payable monthly. The Granite Creek Facility is collateralized by the specific furniture, fixture and equipment assets of the business. The outstanding principal is repayable in quarterly installments equal to \$431 on the last day of each calendar quarter commencing on September 30, 2024.

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On July 27, 2023, the Company restated the term loan agreement with Granite Creek, to provide for \$5,000 in additional debt financing and the issuance of additional detachable warrants (see Note 10) for development of new locations that matures on April 19, 2028, bears interest at 12%, and is repayable in quarterly installments of \$188 beginning September 30, 2024. The Company determined that the amendment was treated as a debt modification and accordingly, no gain or loss was recognized.

On September 30, 2024 and subsequent to period end, on January 7, 2025, the Company made a principal payment of \$619, respectively.

As of April 28, 2024, the Company incurred debt issuance costs and discounts, net of amortization, of \$3,285, of which \$60 was recorded as debt issuance costs and \$3,225 was recorded as a debt discount on the consolidated balance sheets.

As of January 5, 2025, the Company has recorded debt issuance costs and discounts, net of amortization, of \$2,705, of which \$49 was debt issuance costs and \$2,656 was debt discount on the condensed consolidated balance sheets.

Subsequent to period end, on January 17, 2025, the Company and Granite Creek entered into Amendment No. 3 (the “Granite Creek Amendment No. 3”) to the Granite Creek Facility (see Note 14).

***Senior Notes***

On December 29, 2023, in connection with the Reverse Recapitalization (see Note 2), the Company entered into a definitive loan agreement (the “Oaktree Loan Agreement”) with Oaktree Fund Administration, LLC, as agent, (“Oaktree”) under which the Company issued Senior Secured Notes (“Senior Notes”) to Oaktree, which mature in five years on December 29, 2028, and detachable warrants (see Note 10). The principal payment is due at maturity. The loan agreement provides for Senior Notes of up to \$90,000 in the aggregate to be funded in two tranches as follows (a) an initial loan of \$50,000 (“Oaktree Tranche 1 Loan”), which closed on December 29, 2023 in connection with the closing of the Business Combination, and (b) an additional \$40,000 of Senior Notes is to be funded at the sole discretion of Oaktree no earlier than nine months and no later than 12 months after the Business Combination closing date (“Oaktree Tranche 2 Loan”). The Company will use the proceeds from the Oaktree Tranche 1 Loan for general business purposes, including the settlement of Business Combination related transaction costs and to fund expansion efforts. A condition to the funding of the Oaktree Tranche 2 Term Loan is that the Company shall use the proceeds to repay all outstanding amounts under the Silverview Facility. Interest on the Oaktree Tranche 1 Loan accrues on a daily basis calculated based on a 360-day year at a rate per annum equal to (i) 12.5% payable in arrears, at Pinstripes’ option either in cash or in kind (subject to certain procedures and conditions); provided that the interest payable in respect of any period following December 31, 2024, interest under this clause (i) will be required to be paid solely in cash, plus (ii) 7.5% payable quarterly in arrears, at Pinstripes’ option, either in cash or in kind (subject to certain procedures and conditions). On each payment interest date, the Company will increase the principal amount based upon the contractual rate and assume the value of the payment in kind is equal to the amount accrued. The effective interest rate of the original debt will incorporate the paid-in-kind (PIK) interest in the computation of the effective interest rate as an assumed cash flow on each payment date. As of January 5, 2025 and April 28, 2024, the Company recorded \$11,478 and \$3,430, respectively, of accrued PIK interest in long-term notes payable in the condensed consolidated balance sheets.

The obligations of the Company under the Oaktree Tranche 1 Loan are unconditionally guaranteed (the “Guarantees”) by Pinstripes and certain other subsidiaries of Pinstripes (collectively, the “Guarantors”). The obligations under the Oaktree Tranche 1 Loan and the Guarantees are secured by a second lien security interest in substantially all assets of the Guarantors, subordinate to the first lien security interests of the other senior secured lenders (Silverview and Granite Creek) of Pinstripes, and including a pledge of the equity of the Company. Any prepayment of the Oaktree Tranche 1 Loan prior to its maturity date will be subject to a customary “make-whole” premium calculated using a discount rate equal to the yield on comparable Treasury securities plus 50 basis points.

The Oaktree Tranche 2 Loan presents a written option to Oaktree to issue an additional \$40,000 of funding at Oaktree’s sole discretion. The Company determined the written option for the Oaktree Tranche 2 Loan requires recognition as a liability and to be remeasured at fair value at the end of each reporting period. On December 29, 2023, the written option was initially recognized at its issuance date fair value of \$1,773. During the fiscal year ended April 28, 2024, the Company recorded a gain for the change in fair value of the written option in the amount of \$761, which was presented

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within the change in fair value of warrant liabilities and other in the consolidated financial statements of operations. As of April 28, 2024, the fair value of the written option was \$1,012. During the twelve and thirty-six weeks ended January 5, 2025, the Company recorded a gain for the change in fair value of the written option in the amount of \$566 and a loss for the change in fair value of the written option in the amount of \$154, respectively, which is presented within the change in fair value of warrant liabilities and other on the unaudited condensed consolidated financial statements of operations. As of January 5, 2025, the fair value of the written option was \$1,166.

On September 3, 2024, the Company and Oaktree entered into the First Amendment (the “Oaktree First Amendment”) to the Senior Notes. The Oaktree First Amendment provides, among things, that: (i) the Oaktree Lenders have the option, in their discretion to fund additional loans under the Oaktree Tranche 2 Loan of up to \$50,000 in any number of separate drawings (rather than \$40,000 in a single tranche), (ii) the Company is obligated to grant additional Oaktree Tranche 2 Warrants on any closing of a Oaktree Tranche 2 Loan (see Note 10) and (iii) the proceeds received under Tranche 2 Loan no longer have to be used to repay all outstanding amounts under the Silverview Facility. In connection with the closing of the Oaktree First Amendment, Oaktree funded an Oaktree Tranche 2 Loan in the amount of \$3,000 and agreed to grant an Oaktree Tranche 2 Warrant exercisable for 174,750 shares of the Company’s Class A Common Stock (see Note 10). The principal payment of the Oaktree Tranche 2 Loan is due at maturity on December 29, 2028. Interest on the Oaktree Tranche 2 Loan accrues on a daily basis calculated based on a 360-day year at a rate per annum equal to (i) 12.5% payable quarterly in arrears, at the Company’s option either in cash or in kind (subject to certain procedures and conditions) prior to December 31, 2024, and thereafter solely in cash, plus (ii) 7.5% payable quarterly in arrears, at the Company’s option, either in cash or in kind (subject to certain procedures and conditions) at all times. The Company determined that the amendment was treated as a debt modification and accordingly, no gain or loss was recognized. As a result of the debt modification, the Company recorded debt discount of \$831.

As of April 28, 2024, the Company has recorded debt issuance costs and discounts, net of amortization, of \$27,747, of which \$496 was debt issuance costs and \$27,251 was debt discount on the consolidated balance sheets.

As of January 5, 2025, the Company has recorded debt issuance costs and discounts, net of amortization, of \$28,337, of which \$465 was debt issuance costs and \$27,872 was debt discount on the condensed consolidated balance sheets.

Subsequent to period end, on January 17, 2025, the Company and Oaktree entered into the Second Amendment (the “Oaktree Second Amendment”) to the Oaktree Loan Agreement (see Note 14).

#### ***Convertible Notes***

On June 4, 2021, the Company entered into two convertible note agreements for \$5,000 in the aggregate. The convertible notes accrue interest at 1.07% annually and mature on June 4, 2025. Holders of the convertible notes had the right, at their option, to convert all of the outstanding principal and accrued interest to shares of Legacy Pinstripes Common Stock equal to the quotient of (i) the outstanding principal on the convertible note divided by (ii) the conversion price of \$10 per share. In connection with the closing of the Business Combination, the convertible note holders elected to convert all of the outstanding \$5,000 principal balance and the \$137 of accrued unpaid interest to approximately 5,000 shares of Legacy Pinstripes Common Stock. With the election to convert all of the outstanding principal and accrued interest at 1.07%, the holder of the note forfeited additional interest of \$890.

#### ***Finance Obligations***

In 2011, the Company entered into a failed sale leaseback at its Northbrook, Illinois location. The Company sold the building, fixtures and certain personal property and assigned the ground lease to a new lessor. The Company received \$7,000 from the transaction, which was accounted for as a financing obligation with repayment terms of 15 years. The obligation is repaid in monthly installment payments, which includes principal and interest at an 8.15% annual rate. As of January 5, 2025 and April 28, 2024, the principal outstanding was \$3,029 and \$3,460, respectively.

During fiscal year 2024 and 2025, the Company entered into agreements to pay for its bowling equipment for five locations through a long-term payment plan. The Company will pay approximately \$3,356 for the equipment, which was accounted for as a financing obligation with a repayment term of five years. The obligation is repaid in monthly installment payments, which includes principal and interest at a 10% annual rate. As of January 5, 2025 and April 28, 2024, the principal outstanding was \$2,891 and \$2,664, respectively.

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**Debt Covenants**

On December 29, 2023, the Silverview and Granite Creek Facilities were amended in connection with the entry into the Oaktree loan and Oaktree's entry into intercreditor agreements with each of Silverview and Granite Creek. The Silverview Facility and Granite Creek Facility were amended to align the measurement periods for the financial covenants of all three loan agreements, inclusive of Oaktree, and to provide for the Company's guarantee of their obligations under each of the Silverview Facility and Granite Creek Facility. The Senior Notes, along with the amended Silverview Facility and Granite Creek Facility, require the Company to maintain a minimum specified total net leverage ratio. The Company's loan agreements contain events of default with respect to, among other things, default in the payment of principal when due or the payment of interest, fees and other amounts due thereunder after a specific grace period, material misrepresentations and failure to comply with covenants. The Guarantors are subject to negative covenants restricting the activities of the Guarantors, including, without limitation, limitations on: dispositions, mergers or acquisitions, incurring indebtedness or liens, paying dividends or redeeming stock or making other distributions, making certain investments and engaging in certain other business transactions. The first covenant measurement period is ending on January 6, 2025. As of January 5, 2025, the Guarantors did not expect to be in compliance with the debt covenants as of the first measurement date based on their current obligations and liquidity. Subsequent to period end, as of January 6, 2025, the Company was not in compliance with the covenant to maintain a minimum specified total net leverage ratio and entered into a forbearance agreement with its lenders (see Note 14).

**Liquidity and Going Concern**

Under ASC 205, *Presentation of Financial Statements*, the Company is required to consider and evaluate whether there is substantial doubt that it has the ability to meet its obligations within one year from the financial statement issuance date. This assessment also includes the Company's consideration of any management plans to alleviate such doubts. The Company has reported negative working capital as of January 5, 2025 and April 28, 2024, and had losses from operations and cash used in operating activities for the thirty-six weeks ended January 5, 2025 and for the fiscal year ended April 28, 2024. The Company's ability to continue as a going concern is dependent upon it generating sufficient cash from operations over the next year from the date of the issuance of these financial statements. The Company believes that its current earnings projections, which include full year results for the stores that opened during the fiscal year ended April 28, 2024 and new store openings, raise substantial doubt on the Company's ability to continue as a going concern and the Company's ability to meet its current obligations, including for capital expenditures, lease obligations and continued operations as they become due within one year from the financial statement issuance date. To alleviate the conditions that raise substantial doubt about the Company's ability to continue as a going concern, management is exploring several strategic alternatives set forth in the Oaktree Loan Agreement, as amended by the Oaktree Second Amendment. While the Company has historically been successful in raising outside capital, there can be no assurance the Company will be able to continue to obtain outside capital in the future or do so on terms that are acceptable to the Company. The Company continues to implement meaningful cost reductions, receive committed lessor tenant allowances and renegotiate leases and other agreements with favorable terms. Due to these uncertainties, management concluded that substantial doubt exists with respect to the Company's ability to continue as a going concern within one year from the financial statement issuance date. The accompanying unaudited condensed consolidated financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates that the Company will be able to realize assets and settle liabilities and commitments in the normal course of business for the foreseeable future. Accordingly, the accompanying unaudited condensed consolidated financial statements do not include any adjustments that may result from the outcome of these uncertainties.

**Fair Value**

The fair value of long-term notes payable, including current maturities, as of January 5, 2025 and April 28, 2024 is approximately \$84,955 and \$71,061, respectively, and estimated using Level 3 inputs.

**Note 6 – Income Taxes**

The Company's full pretax loss for the twelve and thirty-six weeks ended January 5, 2025 and January 7, 2024 was from U.S. domestic operations. The Company's effective tax rate ("ETR") from continuing operations was 0.7% and 0.0% for the twelve and thirty-six weeks ended January 5, 2025, respectively, and 0.0% for the twelve and thirty-six weeks

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ended January 7, 2024, and consists of state income taxes. There were no significant discrete items recorded for the twelve and thirty-six weeks ended January 5, 2025 and January 7, 2024, respectively.

**Note 7 – Leases**

The Company leases various assets, including real estate, retail buildings, restaurant equipment and office equipment. The Company has non-cancelable operating leases expiring at various times through 2036.

In June 2023, the Company entered into a lease amendment for one location that resulted in a lease modification in accordance with *Accounting Standards Codification 842, Leases* (ASC 842), under which the Company received an abatement of \$4,673 and deferral of previously unpaid rent of \$4,500. The modification of the lease increased the lease liability by \$2,678, decreased accrued occupancy costs by \$9,173, and decreased the right-of-use asset, which resulted in a gain of \$3,281 that is included as a reduction in the Company's store occupancy costs, excluding depreciation, on the unaudited condensed consolidated statements of operations for the thirty-six weeks ended January 7, 2024.

As of January 5, 2025, the Company has entered into additional operating leases with \$49,279 in aggregate future fixed lease payments related to new locations, which have not yet commenced. As of January 5, 2025, the Company did not have control of the underlying properties.

The components of lease expense are as follows:

	Twelve Weeks Ended		Thirty-Six Weeks Ended	
	January 5, 2025	January 7, 2024	January 5, 2025	January 7, 2024
Operating lease cost	\$ 4,361	\$ 3,701	\$ 13,610	\$ 7,579
Variable lease cost	1,536	1,524	4,239	4,094
Short term lease cost	228	130	643	431
Total lease cost	<u>\$ 6,125</u>	<u>\$ 5,355</u>	<u>\$ 18,492</u>	<u>\$ 12,104</u>

The operating lease costs, except pre-opening costs of \$147 and \$736 for the twelve and thirty-six weeks ended January 5, 2025, respectively, and \$303 and \$1,306 for the twelve and thirty-six weeks ended January 7, 2024, respectively, are included within store occupancy costs on the unaudited condensed consolidated statements of operations.

**Note 8 – Redeemable Convertible Preferred Stock**

As of October 15, 2023, Legacy Pinstripes had nine classes of preferred stock: Series A, B, C, D, E, F, G, H and I (collectively, the "Preferred Stock") and a total of 11,054,593 issued and outstanding with a carrying value of \$75,262 and a liquidation preference of \$114,663. On December 29, 2023, upon the closing of the Business Combination, Series A through Series H converted into New Pinstripes shares of Class A Common Stock based on the Exchange Ratio of approximately 1.8486 and Series I converted into Class A Common Stock based on the Series I Exchange Ratio of approximately 2.5, inclusive of accrued Series I dividends (see Note 2).



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The changes in the balance of the Preferred Stock included in the mezzanine equity for the fiscal year ended April 28, 2024 as follows:

	Balance as of April 30, 2023	Issuance of Redeemable Convertible Preferred Stock, net	Remeasurement to Redemption Amount	Accretion of Cumulative Dividends	Conversion in connection with the Reverse Recapitalization	Balance as of April 28, 2024
Series A	\$ 1,151	\$ —	\$ —	\$ —	\$ (1,151)	\$ —
Series B	930	—	—	—	(930)	—
Series C	300	—	—	—	(300)	—
Series D	10,340	—	—	—	(10,340)	—
Series E	2,207	—	—	—	(2,207)	—
Series F	27,290	—	—	—	(27,290)	—
Series G	3,550	—	—	—	(3,550)	—
Series H	7,700	—	—	—	(7,700)	—
Series I	—	19,843	1,423	878	(22,144)	—
Total	\$ 53,468	\$ 19,843	\$ 1,423	\$ 878	\$ (75,612)	\$ —

**Note 9 – Stock-Based Compensation**

Legacy Pinstripes’s 2008 Equity Incentive Plan (the “Plan”) provided for the issuance of 2,900,000 shares of Legacy Pinstripes Common Stock in the form of an option award or restricted stock award to eligible employees and directors. On October 19, 2023, the Board of Directors of Legacy Pinstripes approved a new equity incentive plan, the 2023 Stock Option Plan (the “2023 Plan”), which provided for the issuance of 1,500,000 shares of Legacy Pinstripes Common Stock in the form of options awards to eligible employees and directors. On December 29, 2023, in connection with the closing of the Business Combination, the Board of Directors of the Company approved a 2023 Omnibus Equity Incentive Plan (the “2023 Omnibus Plan”), which provides for the issuances of up to 12,900,000 shares of Class A Common Stock in the form of option awards, stock appreciation rights, restricted stock awards (“RSAs”), restricted stock unit awards (“RSUs”) and performance awards to eligible employees and directors. The number of shares of Class A Common Stock available for issuance under the 2023 Omnibus Plan will be subject to an annual increase on the first day of each fiscal year of the Company beginning April 29, 2024, equal to the lesser of (i) 15% of the aggregate number of shares outstanding on the final day of the immediately preceding fiscal year on a fully diluted basis (inclusive of all outstanding awards granted pursuant to the 2023 Omnibus Plan as of such last day and, if applicable, all outstanding purchase rights pursuant to an employee stock purchase plan maintained by the Company as of such last day) and (ii) any such smaller number of shares as is determined by the Board. Option awards vest 20% at the end of each year over 5 years and expire 10 years from the date of grant, or generally within 90 days of employee termination. RSAs vest one third at the end of each year over three years and expire 10 years from the date of grant, or generally within 90 days of employee termination. On December 4, 2024, certain employees received a one-time restricted stock award, with the number of shares issued determined by the closing price of Pinstripes’ common stock on the grant date. The awards vested immediately on the grant date. There were no stock appreciation rights or performance awards outstanding as of January 5, 2025 and April 28, 2024.

*Stock Options*

We recorded compensation expense related to stock options of \$268 and \$860 for the twelve and thirty-six weeks ended January 5, 2025, respectively, and \$254 and \$615 for the twelve and thirty-six weeks ended January 7, 2024, respectively.



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A summary of equity classified option activity for the thirty-six weeks ended January 5, 2025 is as follows:

	Number of Options	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at April 28, 2024	4,691,701	\$ 6.76	6.43	\$ —
Granted	52,424	2.97		
Exercised	—	—		\$ —
Cancelled or expired	(732,418)	6.62		
Outstanding at January 5, 2025	4,011,707	\$ 6.74	5.71	\$ —
Exercisable at January 5, 2025	2,560,660	\$ 5.16	4.40	

The unrecognized expense related to our stock option plan totaled approximately \$3,965 as of January 5, 2025 and will be expensed over a weighted average period 1.77 years.

*Restricted Stock Awards*

We recorded compensation expense related to RSAs of \$725 and \$854 for the twelve and thirty-six weeks ended January 5, 2025, respectively. We did not grant RSAs prior to fiscal 2025.

A summary of equity classified RSA activity for the thirty-six weeks ended January 5, 2025 is as follows:

	Shares	Weighted-Average Grant Date Fair Value Per Share
Unvested at April 28, 2024	—	—
Granted	4,520,779	0.80
Forfeited	(236,870)	0.91
Vested	(951,764)	0.63
Unvested at January 5, 2025	3,332,145	0.84

The unrecognized expense related to our Restricted Stock Awards totaled approximately \$2,560 as of January 5, 2025 and will be expensed over a weighted average period 1.86 years.

*Restricted Stock Unit Awards*

On January 19, 2024, non-employee directors received a restricted stock unit award, with the number of shares issued to the director determined by dividing \$125,000 by the average of the high and low price of Pinstripes' common stock on the grant date. The awards vest one year from the grant date. We recorded compensation expense related to RSUs of \$172 and \$516 for the twelve and thirty-six weeks ended January 5, 2025, respectively. We did not grant RSUs prior to the fourth quarter of fiscal 2024. As of January 5, 2025, 172,806 RSUs were outstanding with a weighted average grant date fair value of \$4.34 per share. None were vested as of January 5, 2025.

The unrecognized expense related to our RSUs totaled approximately \$27 as of January 5, 2025 and will be expensed over a weighted average period 0.04 years.

**Note 10 – Warrants**

In fiscal year 2024, the Company issued 267,000 warrants to Silverview (the "Silverview Warrants"), recorded at fair value in additional paid-in capital within the condensed consolidated balance sheets of \$1,712, net of issuance costs. Upon surrender of these warrants, the holder was entitled to purchase one share of Legacy Pinstripes Common Stock at an exercise price of \$0.01. Furthermore, in fiscal year 2024, the Company issued 7,500 warrants to another service provider with an exercise price of \$10 per share.

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On August 1, 2023, the Company and Silverview amended and restated the Silverview warrant agreement to correct the number of shares of common stock Silverview was entitled to subscribe and purchase from 258,303 to 162,946. A separate warrant agreement for 8,697 warrants of the 267,000 issued in fiscal year 2024 was not amended and the warrants remained issued. Under the term loan agreement, the Company was contractually obligated to issue a specified number of warrants to Silverview in the event the Company elected to exercise its right to obtain additional funding from Silverview under the term loan agreement. Therefore, the remaining warrants were considered contingently issuable and the contingency was satisfied when a draw on Silverview Tranche 2 Loan occurred. For accounting purposes, all 267,000 warrants were still considered issued and outstanding.

As a result of the amended and restated warrant agreement with Silverview, the Company determined the contingently issuable warrants required recognition as a liability. The contingently issuable warrants were reclassified at their current fair value on August 1, 2023. When the contingently issuable warrants' contingency was satisfied, the respective warrant shares were considered indexed to the Company's common stock and qualified for equity classification under the derivative scope exception provided by *Accounting Standards Codification, Derivatives and Hedging* (ASC 815). Upon the satisfaction of the issuance contingency, the Company shall (i) reclassify the respective warrant shares to equity and (ii) recognize any previous gains or losses in fair value through earnings during the period the shares were classified as a liability.

On August 1, 2023, the Company issued 7,629 warrant shares to Silverview in exchange for \$1,000 in funding drawn under the Silverview Tranche 2 Loan (see Note 5). As of August 1, 2023, 179,272 shares were considered issued warrants and 87,728 shares were considered contingently issuable warrants.

On September 29, 2023, the Company issued 11,443 warrants in exchange for \$1,500 in funding drawn under the Silverview Tranche 2 Loan. As the contingency was satisfied for these warrants, \$173 was reclassified from the warrant liability to additional paid-in-capital.

On October 20, 2023, the Company issued 38,143 warrants in exchange for \$5,000 in funding drawn under the Silverview Tranche 2 Loan. As the contingency was satisfied for these warrants, \$524 was reclassified from the warrant liability to additional paid-in-capital.

On December 29, 2023, the Company issued 38,142 warrants in exchange for \$5,000 in funding drawn under the Silverview Tranche 2 Loan. As the contingency was satisfied for these warrants, \$415 was reclassified from the warrant liability to additional paid-in-capital.

In April 2023 and July 2023, the Company also issued 111,619 and 48,530 warrants, respectively, to Granite Creek in connection with its equipment loan agreement (the "Granite Creek Warrants"). Granite Creek had the right to require Legacy Pinstripes to pay cash to repurchase all or any portion of the warrants or the shares of Common Stock issued under the warrants. The Company determined these warrants required liability classification in accordance with *Accounting Standards Codification 480, Distinguishing Liabilities from Equity* (ASC 480), and as a result, recorded a warrant liability. On December 4, 2023, Granite Creek exercised their warrants at a par value of \$0.01. The Company de-recognized the warrant liability of \$2,202.

In determining the fair value of the Granite Creek warrants and Silverview contingently issuable warrants as of the measurement date, the Company utilized the intrinsic value valuation method using level 3 inputs consisting of the fair value of common stock as of the measurement date less the exercise price of \$0.01 for Silverview and less the exercise price of \$0.001 for the Granite Creek warrants.

In connection with the Reverse Recapitalization, the holders of Legacy Pinstripes' warrants elected to convert all outstanding warrants to shares of New Pinstripes Common Stock on a cashless basis (see Note 2). As of April 28, 2024, there were no outstanding Legacy Pinstripes warrants.

On September 3, 2024, the Company amended the Silverview Facility (see Note 5) and the Company agreed to grant Silverview warrants to purchase 29,292 shares of the Company's Class A Common Stock (the "Silverview Tranche 3 Warrants"), at an exercise price of \$0.01 per share. The Silverview Tranche 3 Warrants are indexed to the Company's

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common stock and qualified for equity classification under the derivative scope exception provided by ASC 815. The Silverview Tranche 3 Warrants were recorded at fair value in additional paid-in-capital for \$67.

In connection with Banyan's initial public offering, Banyan issued (i) 12,075,000 public warrants ("Public Warrants") and 11,910,000 private placement warrants ("Private Warrants"). On December 29, 2023, in connection with the Reverse Capitalization, the Company effectively issued an aggregate of 23,985,000 warrants to purchase an equal number of shares of Class A Common Stock, representing the 12,075,000 Public Warrants and 11,910,000 Private Warrants. The Public Warrants and Private Warrants remained unexercised and were issued and outstanding as of January 5, 2025.

The Public Warrants and Private Warrants meet the definition of a derivative instrument, requiring liability classification, and are measured at fair value on a recurring basis with the change in fair value recognized in the Company's unaudited condensed consolidated statements of operations. The fair value of the Public Warrants is measured by the Company's publicly traded warrant price. In determining the fair value of the Private Warrants, the Company utilizes the Cox-Rubenstein-Ross binomial lattice model using Level 3 inputs consisting of the fair value of the Public Warrants as of the measurement and implied equity volatility. On the December 29, 2023 issuance date, the Company recorded a warrant liability for the Public Warrants and Private Warrants in the fair value amounts of \$4,456 and \$25,368, respectively. During the twelve and thirty-six weeks ended January 5, 2025, the Company recognized a gain or (loss) for the change in fair value of the Public Warrants and Private Warrants in the amounts of \$23 and \$1,955, respectively, and \$(61) and \$3,143, respectively.

The Public Warrants are exercisable 30 days after consummation of the Reverse Recapitalization if, and only if, there is a current registration statement in effect with respect to the shares of Common Stock underlying the Public Warrants, and expire five years from the consummation of the Reverse Recapitalization, or earlier upon redemption or liquidation. The redemption of the Public Warrants is as follows:

*Redemption of Public Warrants when the price per Common Stock equals or exceeds \$18.00.* Once the Public Warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days prior written notice of redemption to each warrant holder; and
- if, and only if, the closing price of the underlying Common Stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders.

If and when the Public Warrants become redeemable by the Company, it may exercise its redemption right even if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

*Redemption of Public Warrants when the price per Common Stock equals or exceeds \$10.00.* Once the Public Warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at \$0.10 per warrant;
- upon a minimum of 30 days prior written notice of redemption provided that holders will be able to exercise the Public Warrants on a cashless basis prior to redemption and receive that number of shares based on the redemption date and the fair market value of the underlying Common Stock;
- if, and only if, the last reported sale price of the underlying Common Stock equals or exceeds \$10.00 per share (as adjusted per stock splits, stock dividends, reorganizations, reclassifications, recapitalizations and the like) for any 20 trading days within the 30-trading day period ending three trading days before the Company send the notice of redemption to the holders; and

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- if the closing price of the underlying Common Stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the holders is less than \$18.00 per share, the Private Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants, as described above.

On December 17, 2024, the New York Stock Exchange (the “NYSE”) notified the Company that the NYSE determined to (a) commence proceedings to delist the Company’s Public Warrants which were previously issued in connection with Banyan Acquisition Corp.’s initial public offering (the “Public Warrants”), each warrant exercisable for one share of the Company’s Class A common stock, par value \$0.0001 per share (the “Class A Common Stock”), at an exercise price of \$11.50 per share, and listed to trade on the NYSE under the symbol “PNST.WS” and (b) immediately suspend trading of the Public Warrants due to “abnormally low” trading price levels pursuant to Section 802.01D of the NYSE Listed Company Manual. On January 6, 2025, the NYSE completed the delisting of the Public Warrants. The Public Warrants are still traded over-the-counter under the symbol “PNSTW.” As the Public Warrants have been delisted from the NYSE, the over-the-counter price was used to fair value the Public Warrants as of January 5, 2025.

The Private Warrants are identical to the Public Warrants with the exception that the underlying shares of Common Stock issuable upon exercise of Private Warrants are not transferable, assignable or saleable, until 30 days after the consummation of the Reverse Recapitalization, subject to certain limited exceptions. Additionally, the holders have the right to exercise the Private Warrants on a cashless basis and are entitled certain registration rights. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company in all Public Warrant redemption scenarios described above, on the same basis as the Public Warrants.

In connection with the Reverse Recapitalization, the Company entered into a loan agreement with Oaktree (see Note 5). In connection with the closing of the Oaktree Tranche 1 Loan, Oaktree was granted fully detachable warrants exercisable for an aggregate 2,500,000 shares of Class A Common Stock, at an exercise price of \$0.01 per share (“Oaktree Tranche 1 Warrants”). In the event that the volume-weighted average price (“VWAP”) per share of the Company’s Class A Common Stock during the period commencing on the 91<sup>st</sup> day after the closing of the Business Combination and ending 90 days thereafter is less than \$8.00 per share, the Company shall grant to Oaktree a warrant to purchase Common Stock for 187,500 shares of Class A Common Stock, at an exercise price of \$0.01 per share (“Additional Oaktree Tranche 1 Warrants”). If the VWAP is less than \$6.00 during the same period, the Company shall instead grant to Oaktree a warrant to purchase common stock for 412,500 shares of Class A Common Stock, at an exercise price of \$0.01 per share (“Additional Oaktree Tranche 1 Warrants”). Therefore, the Additional Oaktree Tranche 1 Warrants are considered contingently issuable and the contingency is satisfied when the Class A Common Stock meets the contingency requirements above. During the period commencing on the 91<sup>st</sup> day after the closing of the Business Combination and ending 90 days thereafter, the VWAP was less than \$6.00 and as such, the Company legally issued the Additional Oaktree Tranche 1 Warrants for 412,500 shares of Class A Common Stock on June 27, 2024 at an exercise price of \$0.01 per share. As the Additional Oaktree Tranche 1 Warrants were considered issued and outstanding for accounting purposes on December 29, 2023 when the Senior Notes were issued, there is no accounting recognition at the legal issuance date when the issuance contingency was resolved.

In the event the Oaktree Tranche 2 Loan is funded, Oaktree will be granted additional warrants exercisable for an aggregate amount of 1,650,000 shares of Class A Common Stock, at an exercise price of \$0.01 per share (“Oaktree Tranche 2 Warrants” (collectively, the Oaktree Tranche 1 Warrants, Additional Oaktree Tranche 1 Warrants and Tranche 2 Warrants are referred to as the “Oaktree Warrants”). In the event that the VWAP per share of Class A Common Stock during the period commencing the 91<sup>st</sup> day after the closing of the Oaktree Tranche 2 Loan and ending 90 days thereafter is less than \$6.00 per share, Oaktree will instead be granted Oaktree Tranche 2 Warrants exercisable for an aggregate of 1,900,000 shares of Class A Common Stock, at an exercise price of \$0.01 per share. The Oaktree Warrants will be exercisable on a cashless basis and the Company has agreed to register for the resale of the shares of Class A Common Stock underlying the Oaktree Warrants.

With the closing of the Oaktree First Amendment (see Note 5), the Company is obligated to grant Additional Oaktree Tranche 2 Warrants on any closing of a Oaktree Tranche 2 Loan equal to the product of 2,912,500 (1,012,500 warrants incremental to the original 1,900,000 warrants) multiplied by the quotient of (A) the total amount funded on such Tranche 2 Loan closing date by (B) \$50,000 (rather than a single additional warrant exercisable for 1,900,000 shares), and the Company shall issue any Additional Oaktree Tranche 2 Warrant in a form consistent with the Oaktree Warrant Amendment described below. In connection with the Oaktree First Amendment (see Note 5), the Company and Oaktree entered into

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Amendment No. 1 to the Class A Common Stock Purchase Warrants (the “Oaktree Warrant Amendment”), which eliminates the one-year lock-up restriction (subject to limited exceptions) that had existed in respect of the 2,912,500 shares of the Company’s Class A Common Stock issuable upon exercise of warrants (Oaktree Tranche 1 Warrants) issued by the Company to Oaktree in connection with the funding of the original Oaktree Tranche 1 Loan under the Oaktree Loan Agreement (as well as the same restriction that had been applicable to the transfer of the warrants themselves).

The Company determined the Oaktree Tranche 1 Warrants meet the equity classification guidance. Upon surrender of these equity-classified warrants, the holder is entitled to purchase one share of Class A Common Stock at \$0.01 per share. The equity classified warrants expire on the 10-year anniversary of the Reverse Recapitalization.

Under the Oaktree Loan Agreement, the Company is contractually obligated to issue a specified number of warrants to Oaktree based on the scenarios above. Therefore, the Oaktree Tranche 2 Warrants are considered contingently issuable and the contingency is satisfied when Oaktree exercises its written option on the Oaktree Tranche 2 Loan and the Class A Common Stock meets the contingency requirements above. When the contingently issuable warrants’ contingency is satisfied, the respective shares underlying these warrants will be considered indexed to the Class A Common Stock and qualify for equity classification under the derivative scope exception provided by ASC 815. Upon the satisfaction of the issuance contingency, the Company will (i) reclassify the respective warrant shares to equity and (ii) recognize any previous gains or losses in fair value through earnings during the period the shares were classified as a liability.

As a result of the amended warrant agreement with Oaktree, the Company determined the contingently issuable warrants required recognition as a liability. The 1,900,000 of contingently issuable warrants were reclassified from additional paid-in capital to a liability at their current fair value of \$1,864 on September 3, 2024, and will be measured at fair value on a recurring basis with the change in fair value recognized in the Company’s unaudited condensed consolidated statements of operations. The additional 1,012,500 warrants were liability-classified on September 3, 2024 at their fair value of \$859. In connection with the closing of the Oaktree First Amendment, the Company issued 174,750 warrants in exchange for \$3,000 in funding under the Oaktree Tranche 2 Loan. As the contingency was satisfied for these warrants, \$401 was reclassified from warrant liabilities to additional paid-in-capital on the condensed consolidated balance sheets. During the twelve and thirty-six weeks ended January 5, 2025, the Company recognized a gain for the change in fair value of the contingently issuable Oaktree Tranche 2 Warrants in the amounts of \$179 and \$2,011, respectively.

As of January 5, 2025, outstanding warrants were as follows:

	Number of Warrants	Weighted-Average Exercise Price
Outstanding at April 28, 2024	28,797,500	\$ 9.58
Granted	1,041,792	0.01
Expired	—	—
Exercised	—	\$ —
Outstanding as of January 5, 2025	<u>29,839,292</u>	<u>\$ 9.25</u>

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The Company remeasures the liability-classified warrants to fair value at each reporting period. During the thirty-six weeks ended January 5, 2025, the change in the fair value was as follows:

Warrant liabilities as of April 28, 2024	\$ 5,411
Change in fair value	(2,038)
Warrant liabilities as of July 21, 2024	\$ 3,373
Reclassification of liability-classified warrants	1,864
Incremental shares granted to Oaktree	859
Issuance of contingently issuable shares	(401)
Change in fair value	(4,928)
Warrant liabilities as of October 13, 2024	\$ 766
Change in fair value	(141)
Warrant liabilities as of January 5, 2025	\$ 625

The change in fair value of the liability-classified warrants are reported in the gain on change in fair value of warrant liabilities and other on the unaudited condensed consolidated statements of operations. Upon surrender of the Public and Private Warrants, the holder is entitled to purchase one share of Class A Common Stock at \$11.50 per share. The outstanding Public and Private Warrants expire on the five-year anniversary of the closing of the Reverse Recapitalization. Upon surrender of the Oaktree Tranche 2 Warrants, the holder is entitled to purchase one share of Class A Common Stock at \$0.01 per share. The outstanding Oaktree Tranche 2 Warrants expire ten years from the issuance date of the warrant.

Subsequent to period end, on January 17, 2025, the Company and Oaktree entered into the Second Amendment (the “Oaktree Second Amendment”) to the Oaktree Loan Agreement that provided additional funding and as a result, the Company issued additional warrants (see Note 14).

**Note 11 – Net Earnings (Loss) Per Share**

Basic net earnings (loss) per share is calculated using the two-class method required for companies with participating securities. The two-class method is an earnings allocation formula under which the Company treats participating securities as having rights to earnings that otherwise would have been available to common shareholders. The Company considers the Redeemable Convertible Preferred Stock to be participating securities as the holders are entitled to receive dividends on an as-if converted basis equal to common stock.

Basic net earnings (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common stock outstanding, including issued but unexercised pre-funded warrants outstanding, during the respective periods. As the contingently issuable warrants are contingent upon additional funding under the Oaktree Tranche 2 Loan being received, they have not been included in the calculation of basic net earnings (loss) per share. Diluted net earnings (loss) per share is calculated using the more dilutive of either the treasury stock, and if-converted method, as applicable, or the two-class method assuming the participating security is not converted.

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The Company did not declare any common stock dividends in the periods presented. The following tables provide the calculation of basic and diluted net earnings (loss) per share of common stock for the twelve and thirty-six weeks ended January 5, 2025 and January 7, 2024:

	Twelve Weeks Ended		Thirty-Six Weeks Ended	
	January 5, 2025	January 7, 2024	January 5, 2025	January 7, 2024
<b>Numerator:</b>				
Net income (loss)	(8,079)	12,248	(27,395)	1,919
Cumulative unpaid dividends on Series I redeemable convertible preferred stock	—	(350)	—	(878)
Change in redemption amount of redeemable convertible preferred stock	—	—	—	(1,423)
Net income (loss) attributable to common stockholders	(8,079)	11,898	(27,395)	(382)
Earnings allocated to participating securities	—	(6,419)	—	—
Net income (loss) available to common stockholders, basic and diluted	(8,079)	5,479	(27,395)	(382)
Earnings allocated to participating securities	—	6,419	—	—
Impact of assumed conversions	—	361	—	—
Net income (loss) available to common stockholders, diluted	(8,079)	12,259	(27,395)	(382)
<b>Denominator:</b>				
Weighted average common shares outstanding, basic	43,578,234	15,784,141	43,129,555	13,324,330
Dilutive awards outstanding	—	21,276,865	—	—
Weighted average common shares outstanding, diluted	43,578,234	37,061,006	43,129,555	13,324,330
<b>Loss per share:</b>				
Basic	\$ (0.19)	\$ 0.35	\$ (0.64)	\$ (0.03)
Diluted	\$ (0.19)	\$ 0.33	\$ (0.64)	\$ (0.03)

The following table conveys the number of shares that may be dilutive potential common shares in the future. The holders of these shares do not have a contractual obligation to share in the Company's losses. The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted loss per share (in thousands):

	Twelve Weeks Ended	Thirty-Six Weeks Ended
	January 5, 2025	January 5, 2025
Stock options	4,012	4,012
Restricted stock units	173	173
Restricted stock awards	3,332	3,332
Warrants	23,985	23,985
Contingently issuable warrants	2,738	2,738

There were no potential common shares excluded from the computation of diluted earnings per share for the twelve and thirty-six weeks ended January 7, 2024.



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**Note 12 – Commitments and Contingencies**

The Company is subject to certain legal proceedings and claims that arise in the ordinary course of business, including claims alleging violations of federal and state law regarding workplace and employment matters, discrimination, slip-and-fall and other customer-related incidents, and similar matters. While it is not feasible to predict the outcome of all proceedings and exposures with certainty, management believes that, except as set forth below, their ultimate disposition should not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

On November 6, 2023, Riveron Consulting, LLC ("Riveron") filed a lawsuit against the Company in the District Court of the 95th Judicial District of Dallas County, Texas for breach of contract and failure to receive compensation for services rendered. The complaint seeks monetary relief for services rendered and attorneys' fees. As October 13, 2024 and April 28, 2024, the Company accrued a liability of \$464, respectively, within accounts payable in the condensed consolidated balance sheets as this amount represents the probable and reasonably estimable cost to resolve this matter. On November 21, 2024, Riveron and the Company entered into a settlement agreement in which the Company agreed to pay Riveron \$365.

**Note 13 – Related Party Transactions**

For the twelve and thirty-six weeks ended January 5, 2025 and January 7, 2024, a company owned by an individual with ownership in common shares of the Company, and who is a relative of an executive officer, performed design services and supplied furniture, fixtures and equipment for existing and new locations under construction of \$300 and \$976, and \$921 and \$942, respectively. As of January 5, 2025 and April 28, 2024, \$1,619 and \$1,918 due to this related party is included in accounts payable within the condensed consolidated balance sheets, respectively.

**Note 14 – Subsequent Events**

The Company evaluated subsequent events through February 19, 2024, the date of issuance of these financial statements, and determined there were no additional items that required further disclosure or recognition, with the exception of amended debt agreements and additional financing.

On January 17, 2025, the Company and Oaktree entered into the Second Amendment (the "Oaktree Second Amendment"). The Oaktree Second Amendment provides, among things, that: (i) interest on the Senior Notes will accrue on a daily basis calculated based on a 360-day year at a rate per annum equal to 20% (amended from 12.5% cash and 7.5% PIK interest), payable quarterly in arrears, at the Company's option, either in cash or in kind (subject to certain procedures and conditions), (ii) the Company is required to deliver to the Oaktree Agent a monthly sales report, an unaudited balance sheet and a projected operating budget on a monthly basis and (iii) the Company will be required to achieve certain milestones in respect of various possible strategic alternatives, which are set forth in the Oaktree Loan Agreement, as amended by the Oaktree Second Amendment.

On January 21, 2025, in connection with the closing of the Oaktree Second Amendment, Oaktree funded a Tranche 2 Loan in the amount of \$6.0 million. With the additional funding, the Company issued Oaktree Tranche 2 Warrants exercisable for 349,500 shares of the Company's Class A Common Stock, par value \$0.0001 per share. The issuance of such Oaktree Tranche 2 Warrants was not registered under the Securities Act, with such Tranche 2 Warrants being issued in reliance on the exemption from registration requirements thereof provided by Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering.

On January 17, 2025, the Company entered into a seventh amendment of the Silverview Facility (the "Silverview Seventh Amendment"). The Silverview Seventh Amendment provides, among things, that: (i) interest on the Term Loans will be reduced for six months starting January 1, 2025 to 12.5% per annum from 15% per annum, (ii) a portion of the interest on the Term Loans may be payable at the Company's option, either in cash or in kind (subject to certain procedures and conditions), (iii) amortized principal payments have been suspended in calendar year 2025, (iv) financial covenants and prepayment premiums have been eliminated and (v) Silverview will forbear from exercising their rights and remedies pursuant to the Silverview Facility, on terms consistent with the forbearance provided by Oaktree.

On January 17, 2025, the Company entered into a Amendment No. 3 (the "Granite Creek Amendment No. 3") to the Granite Facility. The Granite Creek Amendment No. 3 provides, among things, that: (i) 3.0% of the interest payable on the



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Equipment Loan will be payable at the Company's option, either in cash or in kind (subject to certain procedures and conditions), during the period from January 1, 2025 through December 31, 2025 (as opposed to 100% of the interest payable on the Term Loan being payable in cash) and (ii) the principal installment amount schedule has been adjusted pursuant to Section 2(C), providing for decreased quarterly principal payments through December 31, 2025.

In connection with the closing of the Oaktree Second Amendment, Silverview Seventh Amendment and Granite Creek Amendment No. 3, the Company, Oaktree, Silverview and Granite Creek, agreed to forbear from exercising any of their respective rights or remedies under the Oaktree Loan Agreement in respect of an Event of Default as a result of (i) the Company's failure to maintain a Total Net Leverage Ratio of no greater than 6:00:1:00 for the Measurement Period ending on January 6, 2025, (ii) the Company's failure to observe or perform certain agreements or conditions under the Silverview Facility and (iii) the cross-defaults under the Granite Creek Facility, until the earlier of February 28, 2025 or the occurrence of any event terminating such forbearance.

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

*Unless the context otherwise requires, any reference in this section to the "Company," "we," "us," "our," or "Pinstripes" refers to Pinstripes, Inc. and its consolidated subsidiaries prior to the consummation of the Business Combination and to Pinstripes Holdings, Inc. and its consolidated subsidiaries after the consummation of the Business Combination. You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes and other financial information included elsewhere in this filing. Some of the information contained in this discussion and analysis or set forth elsewhere in this filing including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" sections in this filing for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

*We have a 52- or 53- week fiscal year ending on the last Sunday of April. All references to fiscal 2025 and fiscal 2024 reflect the results of the 52-week fiscal year ended April 27, 2025 and April 28, 2024, respectively. The first, second and third quarters of fiscal 2025 reflect the results of the twelve weeks ended July 21, 2024, October 13, 2024 and January 5, 2025. Our first three fiscal quarters are comprised of twelve weeks each, and the fourth fiscal quarter contains sixteen weeks, except for fiscal years consisting of 53 weeks for which the fourth fiscal quarter will consist of seventeen weeks, and end on the twelfth Sunday of each quarter (sixteenth Sunday of the fourth fiscal quarter; and, when applicable, the seventeenth Sunday of the fourth fiscal quarter).*

### Overview

Pinstripes is an experiential dining and entertainment concept combining exceptional Italian-American cuisine with bowling, bocce and private events. Our large-format community venues offer a winning combination of sophisticated fun for the consumer longing for human connectedness across generations and we deliver a broad range of experiences, from a 300-person wedding in one of our many event spaces, to an intimate date night for two in one of our dining rooms, to a birthday party on our bowling lanes or bocce courts. This ability to offer curated and engaging experiences across a broad range of occasions enables us to generate revenue from numerous sources, including dining, bowling, bocce and private events and off-site events and catering.

As of January 5, 2025, we have 18 restaurants in ten states and Washington D.C., and approximately 1,800 employees (who we refer to as "PinMembers"). We are highly disciplined in our site selection process and we design and construct large-format locations that are each 26,000 to 38,000 square feet of interior space, plus additional outdoor patio space that includes outdoor dining, bocce courts, fire-pits and decorative fountains. Each location can host over 900 guests at a time, with dining capacity of approximately 300 guests, bar capacity of 75 guests, 11 to 20 bowling lanes, 6 to 12 indoor/outdoor bocce courts and multiple private event spaces that can accommodate groups of 20 to 1,000 guests. Our locations generated average unit volumes ("AUV"), as further defined below, of \$8.6 million for the fiscal year ended April 28, 2024, demonstrating the scale of our operating model and ability to tailor our space in bespoke ways. Our revenue growth is expected to be primarily driven by revenues from new location openings and increases in same store sales in the future.

### Factors Affecting Our Business

#### *Expanding Footprint*

We have developed a disciplined new venue growth strategy in both new and existing markets, and target certain initial sales, profitability and payback period goals for each new venue opening. We employ a sophisticated, data-based site selection strategy that is highly collaborative with our real estate development partners and network of brokers around the country and focuses on markets with high income and education levels, population density and strong co-tenants. We expect to benefit from a powerful density effect as we continue to open new venues in existing markets, which increases market awareness and generates staffing synergies.

#### *Macroeconomic Conditions*

Consumer spending on food and entertainment outside the home fluctuates with macroeconomic conditions. Consumers tend to allocate higher spending to food outside the home when macroeconomic conditions are stronger and rationalize spending on food outside the home during weaker economies. While we have been able to partially offset inflation and other increases, such as wage increases, in the costs of core operating resources by gradually increasing menu prices, coupled with more efficient purchasing practices, productivity improvements and greater economies of scale, there can be no assurance that we will be able to continue to do so in the future. In particular, macroeconomic conditions could

make additional menu price increases imprudent. There can be no assurance that future cost increases can be offset by increased menu prices or that increased menu prices will be fully absorbed by our customers without any resulting change to their visit frequencies or purchasing patterns.

### ***Fiscal Calendar and Seasonality***

We operate on a 52-week or 53-week fiscal year that ends on the last Sunday in April. In a 52-week fiscal year, the first, second and third fiscal quarters each contain twelve weeks and the fourth fiscal quarter contains sixteen weeks. In a 53-week fiscal year, the first, second and third fiscal quarters each contain twelve weeks and the fourth fiscal quarter contains seventeen weeks.

Our revenues are influenced by seasonal shifts in consumer spending. Typically, our average sales per location are highest during the holiday season (specifically, the period from the last week of November to the second week of January) and summer, and lowest in the winter and the fall (other than during the holiday season). This seasonality is due to increases in spending and private events during the holiday season, followed by continued increased activity as the weather improves in the spring and summer. The fall and winter are our lowest sales seasons due to the fact that the weather is typically deteriorating and children are returning to school. Additionally, holidays, changes in the economy, severe weather and similar conditions may impact sales volumes seasonally in some operating regions.

As a result of these factors and the differences among our fiscal quarters, our quarterly operating results and comparable restaurant sales, as well as our key performance measures, may fluctuate significantly from quarter to quarter and our results for any one quarter are not indicative of any other quarter.

### **The Business Combination**

Pinstripes, Banyan, and Panther Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of Banyan (“Merger Sub”), entered into the Second Amended and Restated Business Combination Agreement on November 22, 2023. Upon consummation of the transactions contemplated by the Business Combination Agreement (the “BCA” or “Business Combination”), on December 29, 2023, Pinstripes merged with and into Merger Sub, with Pinstripes surviving the merger as a wholly owned subsidiary of Banyan. In connection with the closing of the Business Combination, Banyan was renamed “Pinstripes Holdings, Inc.”

In connection with Banyan’s initial public offering, Banyan issued (i) 12,075,000 Public Warrant sand 11,910,000 Private Warrants. On December 29, 2023, in connection with the Business Combination, Pinstripes effectively issued an aggregate of 23,985,000 warrants to purchase an equal number of shares of Class A Common Stock, representing the 12,075,000 Public Warrants and 11,910,000 Private Warrants. The Public Warrants and Private Warrants remained unexercised and were issued and outstanding as of January 5, 2025.

The Business Combination is accounted for as a reverse recapitalization in accordance with GAAP (the “Reverse Recapitalization”). Under this method of accounting, Banyan is treated as the acquired company and Pinstripes is treated as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of Pinstripes Holdings, Inc. represent a continuation of the financial statements of Pinstripes, Inc., with the Business Combination treated as the equivalent of Pinstripes issuing stock for the historical net assets of Banyan, accompanied by a recapitalization. The net assets of Banyan were stated at fair value, which approximated historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of Pinstripes, Inc.

As a consequence of the Business Combination, Pinstripes, Inc. became a subsidiary of a SEC- registered and NYSE-listed company, which will require us to hire additional personnel and implement procedures and processes to address public company regulatory requirements. We expect to incur additional annual expenses as a public company for, among other things, directors’ and officers’ liability insurance, director fees and additional internal and external accounting and legal and administrative resources, including increased audit, consulting and legal fees.

### **Key Performance Metrics**

We track the following key business metrics to evaluate our performance, identify trends, formulate financial projections, and make strategic decisions. We believe that these key business metrics provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management team. These key business metrics are presented for supplemental informational purposes only and may be different from similarly titled metrics or measures presented by other companies.

**Selected Metrics:**
***Average Unit Volumes (AUV)***

(dollar amounts in millions)	Fiscal Year Ended	
	April 28, 2024	April 30, 2023
Total Locations	13	13
AUV	\$ 8.6	\$ 8.6

Average unit volume (“AUV”) is the total revenue generated by operating Pinstripes locations for the entire fiscal year, divided by the number of operating Pinstripes locations open for the entire fiscal year. This measurement allows us to assess, and our investors to understand, changes in guest spending patterns of our restaurants and the overall performance of our existing locations. An increase or decrease in AUV is the result of changes in guest traffic and average guest checks. We gather daily sales data and regularly analyze the restaurant traffic counts and the mix of menu items sold to aid in developing menu pricing, product offerings and promotional strategies designed to produce sustainable AUV. When opening locations in new markets, we typically generate significant revenues in the first year of operation as a result of guests wanting to experience a new concept open in the market, and typically continue to generate significant revenues in the second year and years thereafter as our overall brand awareness increases in the surrounding areas, coupled with an increase in many types of private events that are booked months, or years, in advance (i.e., weddings, bar mitzvahs, graduation parties, and others).

***Store Labor and Benefits Percentage***

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Store labor and benefits	\$ 11,746	\$ 10,831	8.4 %
As a percentage of total revenue	33.1 %	33.7 %	

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Store labor and benefits	\$ 33,712	\$ 29,465	14.4 %
As a percentage of total revenue	36.4 %	35.7 %	

Store Labor and Benefits Percentage is store labor and benefits costs measured under GAAP divided by total revenue.

***Same Store Sales Growth***

	Twelve Weeks Ended	
	January 5, 2025	January 7, 2024
Same Store Sales Growth	(7.7)%	1.9 %
Store Base	13	13

	Thirty-Six Weeks Ended	
	January 5, 2025	January 7, 2024
Same Store Sales Growth	(6.5)%	2.5 %
Store Base	13	13

Same store sales growth refers to the change in year-over-year sales for the comparable store base. We include stores in the comparable store base that have been in operation for at least 18 full months prior to the accounting period presented.

Since opening new stores will be a significant component of our sales growth, comparable restaurant sales growth is only one measure of how we evaluate our performance.

### ***Number of Store Openings***

The number of store openings reflects the number of stores opened during a particular reporting period. Before we open new stores, we incur pre-opening expenses. The number and timing of store openings has had, and is expected to continue to have, an impact on our results of operations. During the twelve and thirty-six weeks ended January 5, 2025, there was one store opening, Walnut Creek, CA in November, 2024.

## **Components of Results of Operations**

### ***Revenue***

We recognize food and beverage revenue, net of discounts and incentives, when payment is tendered at the point of sale as the performance obligation has been satisfied. Food and beverage revenue includes the sale of food and beverage products. Recreation revenue includes bowling and bocce sales. Revenues are recognized net of discounts and taxes. Event deposits received from guests are deferred and recognized as revenue when the event is held. Events sales consisting of charges for bowling or bocce play are recognized as “recreation revenue,” while all other event sales are recognized as “food and beverage revenue.”

We sell gift cards, which do not have expiration dates and do not deduct non-usage fees from outstanding gift card balances. We record gift card sales as a liability and recognize as revenue upon redemption by the customer. For unredeemed gift cards that we expect to be entitled to breakage and for which there is no legal obligation to remit the unredeemed gift card balances to the relevant jurisdictions, we recognize expected breakage as revenue in proportion to the pattern of redemption by the customers. The determination of the gift card breakage is based on our specific historical redemption patterns.

Revenues are reported net of sales tax collected from customers. Sales tax collected is included in other accrued liabilities on the condensed consolidated balance sheets until the taxes are remitted to the appropriate taxing authorities.

### ***Cost of food and beverage***

The components of food and beverage costs are variable in nature, increase as sales volumes increase and are influenced by sales mix, commodity costs and inflation.

### ***Store labor and benefits***

Store labor and benefits consists of all restaurant-level management and hourly labor costs including salaries, wages, benefits, bonuses and payroll taxes. Corporate-level employees are otherwise classified within general and administrative expenses on the unaudited condensed consolidated statements of operations.

Factors that influence labor costs include minimum wage and payroll tax legislation, health care costs and sizes and locations of our stores.

### ***Store occupancy costs, excluding depreciation***

Store occupancy costs, excluding depreciation, consists of rent expense, common area maintenance costs, real estate taxes and utilities.

### ***Other store operating expenses, excluding depreciation***

Other store operating expenses include other operating expenses incidental to operating our locations, such as third-party delivery fees, non-perishable supplies, repairs and maintenance, credit card fees and property insurance.

### ***General and administrative expenses***

General and administrative expenses consist primarily of operations, finance, advertising, legal, human resources, administrative personnel and other personnel costs that support development and operations, as well as stock-based compensation expense.

### ***Depreciation expense***

Depreciation expense includes the depreciation of fixed assets, including leasehold improvements and equipment.

***Pre-opening expenses***

Pre-opening costs include costs associated with the opening and organizing of new stores, including the cost of pre-opening rent, training, relocation, recruiting and travel costs for team members engaged in such pre-opening activities. All pre-opening costs are expensed as incurred.

***Impairment loss***

Impairment loss includes costs associated with the disposal of construction in progress due to the termination of a lease that had not yet commenced.

***Interest expense, net***

Interest expense includes mainly the interest incurred on our outstanding indebtedness, as well as amortization of deferred financing costs, mainly debt origination and commitment fees.

***Gain on change in fair value of warrant liabilities and other***

Changes in the fair value of our outstanding warrant liabilities and the Oaktree Tranche 2 Written Option are recognized on the unaudited condensed consolidated statements of operations. Decreases or increases on the warrant liabilities and Oaktree Tranche 2 Written Option are based on changes to our fair market valuation.

***Other expense***

Expenses incurred that are not directly related to operations and historically have not been material.

***Income tax benefit***

Our income tax benefit consists primarily of federal and state income taxes and has historically not been material.

## Results of Operations

We operate in one operating and reportable segment.

**Comparison of twelve weeks ended January 5, 2025 (“third quarter of fiscal 2025”) and twelve weeks ended January 7, 2024 (“third quarter of fiscal 2024”)**

The following table summarizes our results of operations:

(dollar amounts in thousands)	Twelve Weeks Ended		Dollar Change	Percentage Change
	January 5, 2025	January 7, 2024		
Food and beverage revenues	\$ 27,455	\$ 24,854	\$ 2,601	10.5 %
Recreation revenues	8,061	7,308	753	10.3 %
Total revenue	35,516	32,162	3,354	10.4 %
Cost of food and beverage	5,507	5,017	490	9.8 %
Store labor and benefits	11,746	10,831	915	8.4 %
Store occupancy costs, excluding depreciation	5,956	4,947	1,009	20.4 %
Other store operating expenses, excluding depreciation	5,901	5,140	761	14.8 %
General and administrative expenses	4,820	5,274	(454)	(8.6)%
Depreciation expense	2,737	2,076	661	31.8 %
Pre-opening expenses	1,450	1,934	(484)	(25.0)%
Impairment loss	634	—	634	NM
Operating loss	(3,235)	(3,057)	(178)	5.8 %
Interest expense, net	(5,654)	(2,485)	(3,169)	127.5 %
Gain on change in fair value of warrant liabilities and other	707	17,790	(17,083)	(96.0)%
Other expense	(35)	—	(35)	100.0 %
Income (loss) before income taxes	(8,217)	12,248	(20,465)	(167.1)%
Income tax (benefit)	(138)	—	(138)	NM
Net income (loss)	\$ (8,079)	\$ 12,248	\$ (20,327)	(166.0)%

NM data not meaningful

### Revenue

The increase in revenue for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to having three new stores open in the third quarter of fiscal 2025 for the full period compared to the third quarter of fiscal 2024 and one store open for a portion of the third quarter of fiscal 2025, partially offset by a modest (7.7)% decrease in volume at locations open greater than 24 months (“Mature Venues”).

### Cost of food and beverage

(dollar amounts in thousands)	Twelve Weeks Ended		Percentage Change
	January 5, 2025	January 7, 2024	
Cost of food and beverage	\$ 5,507	\$ 5,017	9.8 %
As a percentage of total revenue	15.5 %	15.6 %	

The increase in food and beverage costs for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was due to an increase in food and beverage sales.

As a percentage of revenue, the food and beverage costs for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 were relatively flat as cost efficiencies in venues open less than 24 months offset less profits from lower sales in our mature venues.

### *Store labor and benefits*

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Store labor and benefits	\$ 11,746	\$ 10,831	8.4 %
As a percentage of total revenue	33.1 %	33.7 %	

The increase in store labor and benefits expenses for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to the addition of three new stores open for the entire second quarter of fiscal 2025 and one store open for a portion of the third quarter of fiscal 2025 that contributed to higher store labor and benefits costs. Excluding the addition of four new stores, store labor and benefits costs were up 20 basis points.

As a percentage of revenue, the decrease in store labor and benefits expenses was primarily due to reduced headcount in the third quarter of 2025 as compared to the third quarter of fiscal 2024 and increased labor efficiency at locations open less than 24 months

### *Store occupancy costs, excluding depreciation*

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Store occupancy costs, excluding depreciation	\$ 5,956	\$ 4,947	20.4 %
As a percentage of total revenue	16.8 %	15.4 %	

The increase in store occupancy costs, excluding depreciation, including as a percentage of revenue, for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024, was primarily due to three new locations open for the entire third quarter of fiscal 2025 and one store open for a portion of the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024.

### *Other store operating expenses, excluding depreciation*

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Other store operating expenses, excluding depreciation	\$ 5,901	\$ 5,140	14.8 %
As a percentage of total revenue	16.6 %	16.0 %	

The increase in other store operating expenses, excluding depreciation for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to one store open for a portion of the third quarter of fiscal 2025 and three new locations open in the third quarter of fiscal 2025 for the full period compared to the third quarter of fiscal 2024.

As a percentage of revenue, the increase in other store operating expenses, excluding depreciation, for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to janitorial and software as a service costs in the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024.

### *General and administrative expenses*

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
General and administrative expenses	\$ 4,820	\$ 5,274	(8.6)%
As a percentage of total revenue	13.6 %	16.4 %	

The decrease in general and administrative expenses, including as a percentage of total revenue, for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to cost savings initiatives including decreases in public company readiness initiatives, including consulting fees and marketing, which primarily related to the Reverse Recapitalization in the prior year.



### Depreciation expense

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Depreciation expense	\$ 2,737	\$ 2,076	31.8 %
As a percentage of total revenue	7.7 %	6.5 %	

The increase in depreciation expense for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to assets being put into service for three new store locations that were open during the third quarter of fiscal 2025 that were not open during the third quarter of fiscal 2024.

### Pre-opening expenses

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Pre-opening expenses	\$ 1,450	\$ 1,934	(25.0)%
As a percentage of total revenue	4.1 %	6.0 %	

The decrease in pre-opening expenses, including as a percentage of total revenue, for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to less training, hiring and marketing associated with one new location under construction during the third quarter of fiscal 2025 compared to the four new locations under construction in the third quarter of fiscal 2024.

### Impairment loss

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Impairment loss	\$ 634	\$ —	NM
As a percentage of total revenue	1.8 %	— %	

The increase in impairment loss for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was a result of impairment on construction in progress due to the termination of a lease that had not yet commenced

### Interest expense, net

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Interest expense, net	\$ 5,654	\$ 2,485	127.5 %
As a percentage of total revenue	15.9 %	7.7 %	

The increase in interest expense for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to an increase in long-term notes payable (see *Liquidity and Capital Resources* and Note 5).

### Gain on change in fair value of warrant liabilities and other

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Gain on change in fair value of warrant liabilities and other	\$ 707	\$ 17,790	(96.0)%
As a percentage of total revenue	2.0 %	55.3 %	

The decrease in the gain on change in fair value of warrant liabilities and other is primarily due to the transfer of the Public Warrants and Private Warrants in connection with the consummation of the Business Combination on December 29, 2023 and the decrease in our stock price and its impact on the fair value of our outstanding Public Warrants and Private

Warrants as of the third quarter of fiscal 2024 was larger than the decrease of the stock price during the third quarter of fiscal 2025.

***Other expense***

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Other expense	\$ 35	\$ —	100 %

The increase in other expense for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was due to the expense related to settlement of a legal claim.

***Income (loss) before income taxes***

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Income (loss) before income taxes	\$ (8,217)	\$ 12,248	(167.1)%

The change in income (loss) before income taxes for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to the factors described above.

***Net income (loss)***

(dollar amounts in thousands)	Twelve Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Net income (loss)	\$ (8,079)	\$ 12,248	(166.0)%

The change in net income (loss) for the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was primarily due to the factors described above.

### Comparison of thirty-six weeks ended January 5, 2025 and thirty-six weeks ended January 7, 2024

The following table summarizes our results of operations:

(dollar amounts in thousands)	Thirty-Six Weeks Ended		Dollar Change	Percentage Change
	January 5, 2025	January 7, 2024		
Food and beverage revenues	\$ 72,382	\$ 64,806	\$ 7,576	11.7 %
Recreation revenues	20,211	17,720	2,491	14.1 %
Total revenue	92,593	82,526	10,067	12.2 %
Cost of food and beverage	15,680	13,732	1,948	14.2 %
Store labor and benefits	33,712	29,465	4,247	14.4 %
Store occupancy costs, excluding depreciation	17,443	10,537	6,906	65.5 %
Other store operating expenses, excluding depreciation	16,615	14,696	1,919	13.1 %
General and administrative expenses	15,404	12,576	2,828	22.5 %
Depreciation expense	7,802	5,417	2,385	44.0 %
Pre-opening expenses	4,024	7,238	(3,214)	(44.4)%
Impairment loss	634	—	634	NM
Operating loss	(18,721)	(11,135)	(7,586)	68.1 %
Interest expense, net	(15,546)	(6,086)	(9,460)	155.4 %
Gain on change in fair value of warrant liabilities and other	6,955	19,140	(12,185)	(63.7)%
Other expense	(83)	—	(83)	NM
Income (loss) before income taxes	(27,395)	1,919	(29,314)	(1527.6)%
Income tax expense (benefit)	—	—	—	— %
Net income (loss)	\$ (27,395)	\$ 1,919	\$ (29,314)	(1527.6)%

NM data not meaningful

#### Revenue

The increase in revenue for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to having one store open for a portion of the third quarter of fiscal 2025 and three new stores open for the entire third quarter of fiscal 2025 compared to the third quarter of fiscal 2024, partially offset by modest decreases in volume at Mature Venues.

#### Cost of food and beverage

(dollar amounts in thousands)	Thirty-Six Weeks Ended		Percentage Change
	January 5, 2025	January 7, 2024	
Cost of food and beverage	\$ 15,680	\$ 13,732	14.2 %
As a percentage of total revenue	16.9 %	16.6 %	

The increase in food and beverage costs for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was due to an increase in food and beverage sales and more costs associated with the less efficient ramp up of our one new locations.

As a percentage of revenue, the increase in food and beverage costs for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to inefficiencies resulting from an increase in relatively higher cost open play sales (vs. private event sales) from the three new locations open for the entire thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024.

### *Store labor and benefits*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Store labor and benefits	\$ 33,712	\$ 29,465	14.4 %
As a percentage of total revenue	36.4 %	35.7 %	

The increase in store labor and benefits expenses for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to one store open for a portion of the third quarter of fiscal 2025 and three stores that were open for the full period that contributed to higher store labor and benefits costs. Excluding the addition of four new stores, store labor and benefits costs were flat.

### *Store occupancy costs, excluding depreciation*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Store occupancy costs, excluding depreciation	\$ 17,443	\$ 10,537	65.5 %
As a percentage of total revenue	18.8 %	12.8 %	

The increase in store occupancy costs, excluding depreciation, including as a percentage of revenue, for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to the impact of the amendment of our lease agreement entered in June 2023 for our Georgetown location, resulting in a reduction of occupancy cost in the first fiscal quarter of 2024 of \$3,281, offset in part by one store open for a portion of the third quarter of fiscal 2025 and three locations open for the entire thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024.

### *Other store operating expenses, excluding depreciation*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Other store operating expenses, excluding depreciation	\$ 16,615	\$ 14,696	13.1 %
As a percentage of total revenue	17.9 %	17.8 %	

The increase in other store operating expenses, excluding depreciation for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to one store open for a portion of the third quarter of fiscal 2025 and three locations open for the entire thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024.

As a percentage of revenue, the change in other store operating expenses, excluding depreciation, for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was relatively flat.

### *General and administrative expenses*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
General and administrative expenses	\$ 15,404	\$ 12,576	22.5 %
As a percentage of total revenue	16.6 %	15.2 %	

The increase in general and administrative expenses, including as a percentage of total revenue, for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to increases in public company readiness initiatives, including additional headcount, consulting fees and increased marketing, as well as an increase in stock-based compensation expense.

### *Depreciation expense*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Depreciation expense	\$ 7,802	\$ 5,417	44.0 %
As a percentage of total revenue	8.4 %	6.6 %	

The increase in depreciation expense for the thirty-six weeks ended January 5, 2025, including as a percentage of total revenue, compared to the thirty-six weeks ended January 7, 2024 was primarily due to assets being put into service for three new store locations that were open for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024.

### *Pre-opening expenses*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Pre-opening expenses	\$ 4,024	\$ 7,238	(44.4)%
As a percentage of total revenue	4.3 %	8.8 %	

The decrease in pre-opening expenses, including as a percentage of total revenue, for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to less training, hiring, marketing, and non-cash rent expense for leases that have commenced prior to opening, associated with the opening of one new location and one new location under construction in the thirty-six weeks ended January 5, 2025 compared to the opening of two new locations and three new locations being under construction in the thirty-six weeks ended January 7, 2024.

### *Impairment loss*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Impairment loss	\$ 634	\$ —	NM
As a percentage of total revenue	0.7 %	— %	

The increase in impairment loss for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was a result of impairment on construction in progress due to the termination of a lease that had not yet commenced.

### *Interest expense, net*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Interest expense, net	\$ 15,546	\$ 6,086	155.4 %
As a percentage of total revenue	16.8 %	7.4 %	

The increase in interest expense for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to an increase in long-term notes payable (see *Liquidity and Capital Resources* and Note 5).

### *Gain on change in fair value of warrant liabilities and other*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Gain on change in fair value of warrant liabilities and other	\$ 6,955	\$ 19,140	(63.7)%
As a percentage of total revenue	7.5 %	23.2 %	

The decrease in the gain on change in fair value of warrant liabilities and other is primarily due to the transfer of the Public Warrants and Private Warrants in connection with the consummation of the Business Combination on December 29, 2023 and the decrease in our stock price and its impact on the fair value of our outstanding Public Warrants and Private Warrants as of the third quarter of fiscal 2024 was larger than the decrease of the stock price during the third quarter of fiscal 2025.

#### *Other expense*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Other expense	\$ 83	\$ —	100.0 %
As a percentage of total revenue	0.1 %	— %	

The increase in other expense for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was due to the expense related to settlement of an insurance claim and legal claims.

#### *Income (loss) before income taxes*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Income (loss) before income taxes	\$ (27,395)	\$ 1,919	(1527.6)%

The change in income (loss) before income taxes for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to the factors described above.

#### *Net income (loss)*

(dollar amounts in thousands)	Thirty-Six Weeks Ended		
	January 5, 2025	January 7, 2024	Percentage Change
Net income (loss)	\$ (27,395)	\$ 1,919	(1527.6)%

The change in net income (loss) for the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024 was primarily due to the factors described above.

### **Liquidity and Capital Resources**

To date, we have funded our operations through proceeds received from previous common stock and preferred stock issuances, through borrowings under various lending commitments and through cash flow from operations. As of January 5, 2025 and April 28, 2024, we had \$2.4 million and \$13.2 million in cash and cash equivalents, respectively. Since the end of fiscal 2024 through February 17, 2025, we have utilized cash of approximately \$21.7 million and accordingly, as of February 17, 2025, we had approximately \$2.4 million in cash and cash equivalents. In fiscal 2024, we borrowed \$22.5 million under a term loan facility (the “Silverview Facility”) with Silverview Credit Partners LP (“Silverview”) and had access to second tranche in the amount of \$12.5 million through the Silverview Facility. In fiscal 2024, we borrowed \$11.5 million under an equipment loan facility (the “Granite Creek Facility”) with Granite Creek Capital Partners LLC (“Granite Creek”). In fiscal 2024, we borrowed an additional \$12.5 million under the Silverview Facility and an additional \$5.0 million under the Granite Creek Facility. On December 29, 2023, we entered into a term loan agreement with Oaktree Fund Administration, LLC (“Oaktree”), as agent, under which we borrowed an additional \$50.0 million (see Note 5). On September 3, 2024, we borrowed an additional \$3.0 million and \$2.0 million under the Oaktree Tranche 2 Loan and the Silverview Tranche 3 Loan, respectively. On January 17, 2025, we borrowed an additional \$6.0 million under the Oaktree Tranche 2 Loan. If we are unable to generate positive operating cash flows, additional debt and equity financings may be necessary to sustain future operations, and there can be no assurance that such financing will be available to us on commercially reasonable terms, or at all.

Historically, our primary liquidity and capital requirements have been for new location development, initiatives to improve the customer experience in our locations, working capital and general corporate needs. Landlords have provided substantial tenant improvement allowances for construction, customers generally pay using cash or credit and debit cards and, as a result, our operations do not generate significant receivables. There has been an increase in costs from delays in

construction and the time needed to recoup these costs from operations of the new locations. As a result, we have obtained additional capital (see above and Notes 5 and 14).

In the first thirty-six weeks of fiscal 2024, we completed the closing of \$19.8 million of Series I Convertible Preferred Stock, representing the sale of an aggregate of 850,648 shares of our Series I Redeemable Convertible Preferred Stock at a purchase price of \$25.00 per share. In connection with Reverse Recapitalization, the shares of Series I Redeemable Convertible Preferred Stock were automatically cancelled and extinguished and converted into the right to receive shares of Pinstripes Class A Common Stock.

Another potential source of cash is proceeds from any exercises of Public Warrants or Private Warrants for cash (which have an aggregate exercise price of \$275,827,500). However, the exercise price of each of the Public Warrants and Private Warrants is \$11.50 per share, which exceeds the closing price of the Pinstripes Class A Common Stock on February 17, 2025, which was \$0.38 per share, and we believe that, for so long as the Public Warrants and Private Warrants are “out of the money,” the holders thereof are not likely to exercise the Public Warrants or the Private Warrants. Any cash proceeds associated with the exercise of the Public Warrants and the Private Warrants are dependent on our stock price. Accordingly, we have not included the net proceeds from any exercise of the Public Warrants or Private Warrants in our assessment of our liquidity and our ability to fund operations on a prospective basis.

Our cash flows from operations, borrowing availability, and overall liquidity are subject to risks and uncertainties. The Company believes that its current earnings projections, which include full year results for the stores that opened during the fiscal year ended April 28, 2024 and new store openings, raise substantial doubt on the Company’s ability to continue as a going concern and the Company’s ability to meet its current obligations, including for capital expenditures, lease obligations and continued operations as they become due within one year from the financial statement issuance date. To alleviate the conditions that raise substantial doubt about the Company’s ability to continue as a going concern, management is exploring several strategic alternatives. As of January 6, 2025, we were in breach of our material indebtedness agreements as a result of our failure to maintain a Total Net Leverage Ratio of no greater than 6.00:1.00. On January 17, 2025, we entered into the second amendment (the “Oaktree Second Amendment”) to the Oaktree Loan Agreement. The Oaktree Second Amendment provided that we will be required to achieve certain milestones in respect of various possible strategic alternatives, which are set forth in the Oaktree Loan Agreement, as amended by the Oaktree Second Amendment. At least in the near-term our business is not expected to generate sufficient cash flow to fund our operations and future capital may not be available from additional indebtedness or otherwise to meet our liquidity needs. Due to the uncertainties associated with these plans, management concluded that substantial doubt exists with respect to the Company’s ability to continue as a going concern within one year from the financial statement issuance date. See Notes 5 and 14.

## Cash Flows

The following table summarizes our cash flows for the periods indicated:

(dollar amounts in thousands)	Thirty-Six Weeks Ended	
	January 5, 2025	January 7, 2024
Net cash (used in) operating activities	\$ (2,488)	\$ (15,818)
Net cash (used in) investing activities	(11,074)	(14,771)
Net cash provided by financing activities	2,776	61,790
Net change in cash and cash equivalents	\$ (10,786)	\$ 31,201

### Operating Activities

Net cash used in operating activities was \$(2.5) million for the thirty-six weeks ended January 5, 2025 compared to \$(15.8) million for the thirty-six weeks ended January 7, 2024. The decrease in net cash used in operating activities was due to PIK interest of \$8.1 million that occurred during the thirty-six weeks ended January 5, 2025, an increase in depreciation expense, an increase in stock-based compensation expense and a decrease in the gain on the change in fair value of warrant liabilities and other, as well as the gain on modification of operating leases that did not reoccur in the thirty-six weeks ended January 5, 2025. Also, there was an increase in operating liabilities for accounts payable, accrued occupancy costs and other accrued liabilities. The decrease was offset by a higher operating loss driven by higher cost of food and beverage, store labor and benefits, store occupancy costs, excluding depreciation, and other store operating expenses, excluding depreciation, plus one store location open for a portion of the third quarter of fiscal 2025 and the three new store locations open for the entire thirty-six weeks ended January 5, 2025 as compared to the thirty-six weeks ended January 7, 2024.

### ***Investing Activities***

Net cash used in investing activities was \$(11.1) million for the thirty-six weeks ended January 5, 2025 compared to \$(14.8) million for the thirty-six weeks ended January 7, 2024. Our purchase of property and equipment of \$(11.1) million decreased in the thirty-six weeks ended January 5, 2025 from \$(14.8) million in the thirty-six weeks ended January 7, 2024 as there were fewer purchases, which were offset by an increase in accumulated depreciation during the thirty-six weeks ended January 5, 2025 compared to the thirty-six weeks ended January 7, 2024. There was more depreciation during the thirty-six weeks ended January 5, 2025 as an additional location, Walnut Creek, CA, was opened during thirty-six weeks ended January 5, 2025 and three new locations from fiscal year 2024 had a full quarter of depreciation.

### ***Financing Activities***

Net cash provided by financing activities was \$2.8 million for the thirty-six weeks ended January 5, 2025 compared to net cash provided by financing activities of \$61.8 million for the thirty-six weeks ended January 7, 2024. The primary components of net cash provided by financing activities for the thirty-six weeks ended January 7, 2024 were proceeds from the issuance of the Series I Redeemable Convertible Preferred Stock of \$19.9 million, proceeds from the issuance of warrants of \$24.6 million and additional borrowings of \$12.5 million under the Silverview Facility, \$5.0 million under the Granite Creek Facility, \$50.0 million under the Oaktree Tranche 1 Loan and \$1.6 million of proceeds from Oaktree Tranche 2 Loan. These proceeds were offset by \$(23.4) million in transaction costs incurred in connection with the Reverse Recapitalization, principal payments of long-term notes payable of \$0.5 million and debt discount and issuance costs of \$27.5 million. The cash provided by financing activities for the thirty-six weeks ended January 5, 2025 consists of \$4.8 million of additional debt financing obtained from Oaktree and Silverview, net of debt discount, offset by principal payments of long-term notes payable of \$2.1 million.

### **Off-Balance Sheet Arrangements**

As of the date of this report, we do not have any off-balance sheet arrangements.

### **Critical Accounting Policies and Estimates**

The preparation of financial statements in conformity with GAAP requires us to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date, as well as reported amounts of revenue and expenses during the reporting period. Our most significant estimates and judgments involve difficult, subjective or complex judgements made by management. Actual results may differ from these estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies described below involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations. For further information, see Note 2 to our audited consolidated financial statements included in the 2024 Annual Report.

#### ***Leases***

We have made an accounting policy election applicable to all asset classes not to record leases with an initial term of twelve months or less on the balance sheet as allowed under ASC 842. We lease all of our locations from third parties. For leases with an initial term greater than twelve months, a related lease liability is recorded on the balance sheet at the present value of future fixed payments discounted at our estimated fully collateralized borrowing rate corresponding with the lease term (i.e. incremental borrowing rate). In addition, a right-of-use asset is recorded as the initial amount of the lease liability, plus any initial direct costs incurred and lease prepayment, less any tenant improvement allowance incentives received. Most of our leases include one or more options to renew, with terms that can extend from five to ten years. To determine the expected lease term, we excluded all options to renew as it is not reasonably certain we would exercise these options.

Lease payments include fixed payments and variable payments for common area maintenance costs, real estate taxes, insurance related to leases or additional rent based upon sales volume (variable lease cost). Variable lease costs are expensed as incurred whereas fixed lease costs are recorded on a straight-line basis over the life of the lease. We do not separate lease and non-lease components (e.g. common area maintenance), which is a policy maintained for all asset classes. Leases do not contain any material residual value guarantee or material restrictive covenants.

The discount rate used to determine the amount of right-of-use assets and lease liabilities is the interest rate implicit in the lease, when known. If the rate is not implicit in the lease, we use our incremental borrowing rate, which is derived



based on available information at the commencement date. We do not believe there is a reasonable likelihood there will be a material change in the future estimates or assumptions we use to calculate our right-of-use assets and lease liabilities.

### ***Impairment of Long-lived Assets***

We review long-lived assets, such as property and equipment, and operating lease right-of-use assets with definitive lives, for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We perform our long-lived asset impairment analysis by grouping assets and liabilities at the individual store level, since this is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and evaluate the asset group against the sum of the undiscounted future cash flows.

In determining the undiscounted future cash flows, we consider historical cash flows and other relevant factors and circumstances, including the maturity of the store, changes in the economic environment, unfavorable changes in business climate and future operating plans. The significant inputs used in determining our estimate of the projected undiscounted future cash flows include future revenue growth, changes in store labor and operating costs, future lease payments and projected operating margins as well as the estimate of the remaining useful life of the assets. We believe our assumptions are reasonable based on available information. Changes in assumptions and estimates used in the impairment analysis, or future results that vary from assumptions used in the analysis, could affect the estimated fair value of long-lived intangible assets and could result in impairment charges in a future period.

### ***Warrants***

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board (the "FASB") ASC 480, "*Distinguishing Liabilities from Equity*" ("ASC 480"), and ASC 815, "*Derivatives and Hedging*" ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, whether they meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of equity at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as liabilities at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the unaudited condensed consolidated statements of operations.

The Public Warrants and Private Warrants meet the definition of a derivative instrument, requiring liability classification, and are measured at fair value on a recurring basis with the change in fair value recognized in the Company's unaudited condensed consolidated statements of operations. The fair value of the Public Warrants is measured by the Company's publicly traded warrant price. In determining the fair value of the Private Warrants, the Company utilizes the Cox-Rubenstein-Ross binomial lattice model using Level 3 inputs consisting of the fair value of the Public Warrants as of the measurement and implied equity volatility. See Note 10.

The Company determined the Oaktree Tranche 1 Warrants meet the equity classification guidance and were measured at fair value upon issuance. Under the Oaktree Loan Agreement, the Company is contractually obligated to issue a specified number of warrants to Oaktree based on the scenarios described in Note 10. Therefore, the Additional Oaktree Tranche 1 Warrants and Oaktree Tranche 2 Warrants (as defined in Note 10) are considered contingently issuable and the contingency is satisfied when Oaktree exercises its written option on the Oaktree Tranche 2 Loan and the Class A Common Stock meets the contingency requirements described in Note 10. When the contingently issuable warrants' contingency is satisfied, the respective shares underlying these warrants will be considered indexed to the Class A Common Stock and qualify for equity classification under the derivative scope exception provided by ASC 815 (see Note 10). The contingency was satisfied on the Additional Oaktree Tranche 1 Warrants when the Class A Common Stock met the contingency requirements described in Note 10. Additionally, when \$3.0 million was funded under the Oaktree Tranche 2 Written Option, 174,750 warrants were issued and the contingency was satisfied (see Note 10). As such, these awards were reclassified from equity to liability. We believe our assumptions are reasonable based on available information. Changes in assumptions and estimates used in the warrants valuation, or future results that vary from assumptions used in the analysis, could affect the estimated fair value of warrant liabilities and could result in material charges in a future period.

### ***Revenue Recognition***

We recognize food and beverage revenues and recreation revenue when payment is tendered at the point of sale as the performance obligation has been satisfied. Food and beverage revenues include the sale of food and beverage products. Recreation revenue includes bowling and bocce sales. We recognize revenues net of discounts and taxes. We defer event deposits received from guests and recognized such deposits as revenue when the event is held. Event deposits received from customers in advance are included in amounts due to customers in the condensed consolidated balance sheets, and we recognize revenues from events when the event takes place.

We sell gift cards, which do not have expiration dates and do not deduct non-usage fees from outstanding gift card balances. We record gift card sales as a liability and recognized as revenue upon redemption by the customer. For unredeemed gift cards that we expect to be entitled to breakage and for which there is no legal obligation to remit the unredeemed gift card balances to the relevant jurisdictions, we recognize expected breakage as revenue in proportion to the pattern of redemption by the customers. The determination of the gift card breakage is based on our specific historical redemption patterns. The contract liability related to our gift cards is included in amounts due to customers in the condensed consolidated balance sheets. We report revenues net of sales tax collected from customers. We include sales tax collected in other accrued liabilities on the condensed consolidated balance sheets until the taxes are remitted to the appropriate taxing authorities. We believe our assumptions are reasonable based on available information. Changes in assumptions and estimates used in the gift card breakage calculation, or future results that vary from assumptions used in the analysis, could affect the estimated revenue recognized from gift card breakage and could result in material changes in a future period.

### **Classification of Instruments as Liabilities or Equity**

We have applied ASC 480, “*Distinguishing Liabilities from Equity*,” to classify as a liability or equity certain redeemable and/or convertible instruments, including our preferred stock. We determine the liability classification if the financial instrument is mandatory redeemable for cash or by issuing a variable number of equity shares.

If we determine that a financial instrument should not be classified as a liability, we then determine whether the financial instrument should be presented between the liability section and the equity section of the balance sheet as temporary equity. We determine financial instruments as temporary equity if the redemption of the preferred stock or other financial instrument is outside of our control. Otherwise, we account for the financial instrument as permanent equity.

### **Emerging Growth Company**

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies for up to five years or until we are no longer an emerging growth company. We qualify as an “emerging growth company” and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We have elected not to opt out of such extended transition period, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the condensed consolidated financial statements may not be comparable to those of companies that comply with new or revised accounting pronouncements as of public company effective dates.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

This item is not applicable as the Company is a smaller reporting company.

### **Item 4. Controls and Procedures**

#### ***Evaluation of Disclosure Controls and Procedures***

Prior to the Business Combination, Legacy Pinstripes was not required to certify effective disclosure controls and procedures or internal control over financial reporting. Upon consummation of the Business Combination, management is required to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal

executive officer and principal financial and accounting officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management conducted an assessment of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report (under the supervision and with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). Based on that assessment, our CEO and CFO have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act) were not effective due to material weaknesses in internal control over financial reporting, as described below. Management’s assessment of the effectiveness of our disclosure controls and procedures is expressed at a level of reasonable assurance because management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives.

#### ***Material Weakness in Internal Control over Financial Reporting***

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As of April 28, 2024, we identified material weaknesses in relation to (i) our financial statement close process, (ii) our lease accounting processes and (iii) the maintenance and accuracy of our outstanding equity information and accounting for stock-based compensation. The material weakness related to our financial statement close process resulted from a lack of adequate policies, procedures, controls and sufficient technical accounting personnel to appropriately analyze, record and disclose accounting matters for routine and non-routine transactions timely and accurately. This material weakness contributed to the material weakness related to our lease accounting process, which related to the design of the controls relating to the identification and assessment of lease agreement terms and conditions, assessment of lease modifications and related accounting treatment, as well as to the material weakness related to the design of controls in respect of issuing, tracking and maintaining accurate ledgers as to authorized, issued and outstanding shares and calculations of stock based compensation. This resulted in prior period errors in our accounting records related to our lease obligations, occupancy costs, right of use assets and related financial statement disclosures, along with errors in share capital amounts and stock based compensation, all of which were corrected in connection with the issuance of the audited consolidated financial statements of Pinstripes as of and for the fiscal year ended April 30, 2023.

These material weaknesses did not result in any identified material misstatements to the financial statements, but based on these material weaknesses, management concluded that at April 28, 2024 and January 5, 2025, our internal control over financial reporting was not effective.

#### ***Management’s Remediation Plan***

In response to the material weaknesses discussed above, we plan to continue efforts already underway to improve internal control over financial reporting, which include creating formal policies and procedures governing our financial statement close process, and control in the preparation, documentation and review of journal entries and account reconciliations.

We have taken measures to address the material weakness related to stock-based compensation identified in the 2024 Annual Report and enhance our internal control over financial reporting. Based on our remediation efforts and related testing during the twelve weeks ended July 21, 2024 and the sixteen weeks ended April 28, 2024, we concluded that the material weakness related to stock compensation has been remediated. We have:

- hired additional accounting and financial reporting personnel with U.S. GAAP and SEC reporting experience to facilitate second level reviews, and financial reporting oversight;
- engaged a third-party equity plan administrator to account for our employee equity plan and transactions, which now tracks grants and cancellations as well as provides disclosure reports; and
- implemented protocols and controls around stock grants and personnel termination processes and ensured proper communication and training around the implemented changes.

We are currently in the process of implementing measures to address the underlying causes of the remaining material weaknesses and the control deficiencies which include:

- hiring additional accounting and financial reporting personnel with U.S. GAAP, and SEC reporting experience to facilitate second level reviews, and financial reporting oversight;

- developing, communicating and implementing an accounting policy manual for our accounting and financial reporting personnel for recurring transactions and period-end closing processes;
- establishing effective monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of our financial statements and related disclosures;
- reviewing and enhancing of IT general controls over information systems relevant to financial reporting, including privileged access and segregation of duties; and
- realignment of existing personnel and the addition of both internal and external personnel to strengthen management's review and documentation over internal control over financial reporting.

We will continue to review and improve our internal control over financial reporting to address the underlying causes of the remaining material weaknesses and control deficiencies. We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to these material weaknesses in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. In addition, we cannot be certain that we have identified all material weaknesses and control deficiencies in our internal control over financial reporting or that in the future we will not have additional material weaknesses or control deficiencies in its internal control over financial reporting. Further, we continue to review our internal control over financial reporting and disclosure controls and procedures to provide reasonable assurance as to the ability to comply with reporting requirements following the completion of the Business Combination.

#### ***Changes in Internal Control over Financial Reporting***

Except for the remediation of the material weakness related to stock-based compensation and the efforts to remediate the other material weaknesses described above, there were no changes during the thirty-six weeks ended January 5, 2025 in our internal control over financial reporting that have materially affected, or are reasonably likely to material affect, our internal control over financial reporting.

#### ***Inherent Limitations on the Effectiveness of Controls***

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our Company have been detected.

These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies and procedures.

## Part II - Other Information

### Item 1. Legal Proceedings

For discussion of legal proceedings, see Note 12 to our condensed consolidated financial statements under “Part 1, Item 1. Financial Information” and under “Commitments and Contingencies” of this Quarterly Report on Form 10-Q.

### Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in the “*Risk Factors*” section contained in the 2024 Annual Report, together with the cautionary statement under the caption “*Cautionary Note Regarding Forward-Looking Statements*” included elsewhere in this Quarterly Report on Form 10-Q. Except as set forth below, there have been no material changes to the risk factors contained in our 2024 Annual Report. These described risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

***There can be no assurance that we will be able to comply with the continued listing standards of the NYSE, which could result in the delisting of our securities, limit investors’ ability to make transactions in our securities and subject us to additional trading restrictions.***

The Class A Common Stock is currently listed on the NYSE under the symbol “PNST”.

If we were to fail to meet the continued listing requirements of the NYSE or another national stock exchange, we and our stockholders could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the Class A Common Stock is a “penny stock,” which would require brokers trading in the Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

On October 16, 2024, we were notified by the NYSE that we were not in compliance with Section 802.01B and Section 802.01C of the NYSE Listed Company Manual because the Company's average market capitalization was less than \$50 million over a consecutive 30 trading-day period and, at the same time, the average closing price of the Company's common stock was less than \$1.00 over a consecutive 30 trading-day period. The notice does not result in the immediate delisting of the Company's Class A Common Stock from the NYSE.

On November 29, 2024, we submitted a business plan regarding remediation of the above listing criteria. On January 14, 2025, the NYSE notified us that it had accepted our business plan and that it was prepared to continue to list the Company's common stock. The notice further states that the NYSE will perform quarterly reviews during the 18-month period from receipt of the initial October 16, 2024 notice and that failure to maintain the goals will result in our Class A Common Stock being subject to suspension of trading. The Company will need to achieve the minimum continued listing standards of either average global market capitalization over a consecutive 30 trading-day period of \$50 million or total stockholders' equity of \$50 million at the completion of the 18-month plan period. Failure to achieve any of the above minimum requirements at the appropriate time will result in trading in our Class A Common Stock being suspended by the NYSE with application made to the SEC to delist.

Under the NYSE's rules, if the Company determines that, if necessary, it will cure the market capitalization and stock price deficiencies by taking an action that will require stockholder approval, it must so inform the NYSE in the above referenced notification and the market capitalization and price condition will be deemed cured if the market capitalization and price promptly exceeds \$50 million and \$1.00 per share, respectively, and the price remains above those levels for at least the following 30 trading days. The Company intends to consider available alternatives, including but not limited to a reverse stock split, that are subject to shareholder approval.

In addition, if our market capitalization were to fall below a \$15.0 million average for 30 trading days, our Class A Common Stock would be immediately delisted, and there would be no cure period for curing the deficiency.

***Substantial doubt about our ability to continue as a going concern***

There is substantial doubt about the Company's ability to continue as a going concern and the Company's ability to meet its current obligations, including for capital expenditures, lease obligations and continued operations as they become due within one year from the issuance date of the financial statements contained in this Quarterly Report on Form 10-Q. The principal conditions leading to this conclusion are our current earnings projections, which include full year results for the stores that opened during the fiscal year ended April 28, 2024 and new store openings. In order to alleviate these conditions, management is exploring several strategic alternatives set forth in the Oaktree Loan Agreement, as amended by the Oaktree Second Amendment. However, there can be no assurance that the Company will have the ability to raise additional capital when needed. There can be no assurance that these plans will be successfully implemented or that they will mitigate the conditions that raise substantial doubt about the Company's ability to continue as a going concern. The inability to raise sufficient additional capital would have a material adverse effect on our financial condition and likely cause the price of the Company's common stock to decline.

***We were in breach of our material indebtedness agreements as of January 6, 2025. We may be unable to fund our future operating requirements.***

As of January 6, 2025, we were in breach of our material indebtedness agreements as a result of our failure to maintain a Total Net Leverage Ratio of no greater than 6.00:1.00. On January 17, 2025, we entered into the Oaktree Second Amendment to the Oaktree Loan Agreement. The Oaktree Second Amendment provided for, among things, additional funding in the amount of \$6.0 million and that we will be required to achieve certain milestones in respect of various possible strategic alternatives, which are set forth in the Oaktree Loan Agreement, as amended by the Oaktree Second Amendment. In connection with the closing of the Oaktree Second Amendment, the Company and Oaktree agreed to forbear from exercising any of their respective rights or remedies under the Oaktree Loan Agreement in respect of an Event of Default as a result of the Company's failure to maintain a Total Net Leverage Ratio of no greater than 6.00:1.00 and cross-defaults, until the earlier of February 28, 2025 or the occurrence of any event terminating such forbearance. We also obtained similar forbearance from the applicable agents and lenders under the Granite Creek Facility and the Silverview Facility.

We may not be able to satisfy the conditions contained in the Oaktree Second Amendment or obtain additional forbearance or waivers of our existing defaults. If we do not satisfy such conditions, or if we cannot make scheduled payments on our debt, or if we breach any of the other covenants in our debt agreements and such breaches are not waived or cured, we will be in default and, as a result, our lenders could declare all outstanding principal and interest to be due and payable or could terminate their commitments to lend us money and foreclose against the assets securing our borrowings, and we could be forced into bankruptcy or liquidation.

In addition, we require additional capital to fund our operations. These financings, under our current debt facilities or otherwise, may not be available or, if available, may be on terms that are not favorable to us and could result in dilution to our stockholders and reduction of the trading price of our stock. The state of capital markets when we seek to raise additional capital or execute other strategic alternatives could also impede our ability to raise additional capital or execute on such strategic alternatives on favorable terms or at all. If adequate capital were not available to us, we likely would be required to significantly curtail our operations or possibly even cease our operations.

Further, our focus on addressing our current defaults and our liquidity needs could put additional stress on our business and may divert the attention of our senior management team from our existing business operations.

Our obligations under the Oaktree Loan Agreement, as amended, and our other material indebtedness, including the Silverview Facility and the Granite Creek Facility have important consequences, including making it more difficult for us to satisfy our obligations with respect to our debt, limiting our ability to obtain additional financing to fund future working capital, capital expenditures, investments or acquisitions or other general corporate requirements, requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, investments or acquisitions and other general corporate purposes, increasing our vulnerability to adverse changes in general economic, industry and competitive conditions, exposing us to the risk of increased interest rates, limiting our flexibility in planning for, and reacting to, changes in the industries in which we compete, placing us at a disadvantage compared to other, less leveraged competitors, increasing our cost of borrowing and hampering our ability to execute on our growth strategy.

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

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not Applicable.

**Item 5. Other Information**

***(a) Resignation of Chief Financial Officer***

On February 17, 2025, Anthony Querciagrossa informed the Board of his resignation as Chief Financial Officer of the Company, effective February 28, 2025, to pursue other opportunities outside the restaurant/entertainment industry.

***(b) Securities Trading Plans of Directors and Executive Officers***

During the fiscal quarter ended January 5, 2025, none of our directors or executive officers entered into, modified or terminated, contracts, instructions or written plans for the sale or purchase of our securities that were intended to satisfy the affirmative defense conditions of Rule 10b5-1 or that constituted non-Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K).

**Item 6. Exhibits**

Exhibit	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.2 *	<a href="#">Second Amended and Restated Certificate of Incorporation of Pinstripes Holdings, Inc.</a>	8-K	3.2	January 5, 2024
3.3 *	<a href="#">Amended and Restated Bylaws of Pinstripes Holdings, Inc.</a>	8-K	3.3	January 5, 2024
4.1 *	<a href="#">Amended Form of Oaktree Warrant.</a>	10-Q	4.1	September 4, 2024
4.2 *	<a href="#">Oaktree Warrant Amendment, dated September 3, 2024.</a>	10-Q	4.2	September 4, 2024
4.3 *	<a href="#">Form of Silverview Warrant</a>	10-Q	4.3	September 4, 2024
10.1 *	<a href="#">First Amendment to Loan Agreement, dated September 3, 2024 to Loan Agreement, dated as of December 29, 2023 by and among Pinstripes, Inc., Pinstripes Holdings, Inc., the other guarantors party thereto, Oaktree Fund Administration, LLC, as agent and the lender party thereto.</a>	10-Q	10.1	September 4, 2024
10.2 *	<a href="#">Sixth Amendment to Loan Agreement and Second Amendment to Pledge and Security Agreement, dated September 3, 2024 to the Loan Agreement, dated as of March 7, 2023 by and among Pinstripes, Inc., Pinstripes Holdings, Inc., the other guarantors party thereto, Silverview Credit Partners, L.P., as agent and the lenders party thereto.</a>	10-Q	10.2	September 4, 2024
10.3 *	<a href="#">Second Amendment to Oaktree Loan Agreement, dated January 17, 2025, by and among Pinstripes Holdings, Inc., Pinstripes, Inc., the other guarantors party thereto, Oaktree Fund Administration, LLC and the lenders from time to time party thereto.</a>	8-K	10.1	January 24, 2025
10.4 *	<a href="#">Seventh Amendment to Silverview Loan Agreement, dated January 17, 2025, by and among Pinstripes Holdings, Inc., Pinstripes, Inc., the other guarantors party thereto, Silverview Credit Partners LP and the lenders from time to time party thereto.</a>	8-K	10.2	January 24, 2025
10.5 *	<a href="#">Amendment No. 3 to Granite Creek Loan Agreement, dated January 17, 2025, by and among Pinstripes Holdings, Inc., Pinstripes, Inc., the other guarantors party thereto, GCCP II Agent, LLC and the lenders from time to time party thereto.</a>	8-K	10.3	January 24, 2025
31.1 **	<a href="#">Certification of Chief Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>			
31.2 **	<a href="#">Certification of Chief Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>			



32.1 ***	<a href="#">Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2 ***	<a href="#">Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101 **	The following information from our Quarterly Report on Form 10-Q for the quarter ended January 7, 2024, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Unaudited Condensed Consolidated Statements of Operations, (iii) Unaudited Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit, (iv) Unaudited Condensed Consolidated Statements of Cash Flows and (v) Notes to Unaudited Condensed Consolidated Financial Statements.
104 **	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q; included in Exhibit 101 Inline XBRL document set.

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\* Previously filed.

\*\* Filed herewith.

\*\*\* Furnished herewith.

## SIGNATURES

Pursuant to the requirements 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.

Date: February 19, 2025

By: /s/ Dale Schwartz

Name: Dale Schwartz

Title: Chairman and Chief Executive Officer

Date: February 19, 2025

By: /s/ Anthony Querciagrossa

Name: Anthony Querciagrossa

Title: Chief Financial Officer

## CERTIFICATIONS

I, Dale Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pinstripes Holdings, Inc.;
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 Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 19, 2025

/s/ Dale Schwartz

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Dale Schwartz  
Chairman and Chief Executive Officer

## CERTIFICATIONS

I, Anthony Querciagrossa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pinstripes Holdings, Inc.;
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 Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 19, 2025

/s/ Anthony Querciagrossa

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Anthony Querciagrossa  
Chief Financial Officer

**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 accompanying Quarterly Report of Pinstripes Holdings, Inc. (the Company) on Form 10-Q for the quarter ended January 5, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Dale Schwartz, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Dale Schwartz

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Dale Schwartz

Chairman and Chief Executive Officer

February 19, 2025

**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 accompanying Quarterly Report of Pinstripes Holdings, Inc. (the Company) on Form 10-Q for the quarter ended January 5, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Anthony Querciagrossa, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Anthony Querciagrossa

Anthony Querciagrossa

Chief Financial Officer

February 19, 2025