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

Form 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED **May 1, 2022**

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 No. **001-35664**

Dave & Buster's Entertainment, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

1221 Beltline Rd., Coppell, Texas, 75019
(Address of principal executive offices) (Zip Code)

35-2382255
(I.R.S. Employer ID)

(214) 357-9588
(Registrant's telephone number)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock \$0.01 par value	PLAY	NASDAQ Global Select Market

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

Indicate by checkmark 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 checkmark 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, 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 checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging Growth Company	<input 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 checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 31, 2022, the registrant had 48,934,844 shares of common stock, \$0.01 par value per share, outstanding.

[Table of Contents](#)

DAVE & BUSTER'S ENTERTAINMENT, INC.
FORM 10-Q FOR QUARTERLY PERIOD ENDED MAY 1, 2022
TABLE OF CONTENTS

	<u>Page</u>
PART I FINANCIAL INFORMATION	
Item 1. Financial Statements	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	13
Item 3. Quantitative and Qualitative Disclosures About Market Risk	22
Item 4. Controls and Procedures	22
PART II OTHER INFORMATION	
Item 1. Legal Proceedings	22
Item 1A. Risk Factors	22
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 6. Exhibits	25
Signatures	26

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

DAVE & BUSTER’S ENTERTAINMENT, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	<u>May 1, 2022</u> (unaudited)	<u>January 30, 2022</u> (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 139,081	\$ 25,910
Inventories	41,601	40,319
Prepaid expenses	16,403	11,316
Income taxes receivable	16,697	64,921
Other current assets	3,358	3,105
Total current assets	<u>217,140</u>	<u>145,571</u>
Property and equipment (net of \$937,939 and \$908,536 accumulated depreciation as of May 1, 2022 and January 30, 2022, respectively)	787,750	778,597
Operating lease right of use assets	1,055,328	1,037,197
Deferred tax assets	9,203	9,961
Tradenames	79,000	79,000
Goodwill	272,604	272,597
Other assets and deferred charges	22,075	22,867
Total assets	<u>\$2,443,100</u>	<u>\$2,345,790</u>
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities:		
Accounts payable	\$ 54,528	\$ 62,493
Accrued liabilities	254,920	248,493
Income taxes payable	3,630	529
Total current liabilities	<u>313,078</u>	<u>311,515</u>
Deferred income taxes	15,446	12,012
Operating lease liabilities	1,294,486	1,277,539
Other liabilities	36,382	37,869
Long-term debt, net	431,966	431,395
Commitments and contingencies		
Stockholders’ equity:		
Common stock, par value \$0.01; authorized: 400,000,000 shares; issued: 61,817,849 shares at May 1, 2022 and 61,563,613 shares at January 30, 2022; outstanding: 48,718,457 shares at May 1, 2022 and 48,489,935 shares at January 30, 2022	618	616
Preferred stock, 50,000,000 authorized; none issued	—	—
Paid-in capital	557,977	548,776
Treasury stock, 13,099,392 and 13,073,678 shares as of May 1, 2022 and January 30, 2022, respectively	(606,669)	(605,435)
Accumulated other comprehensive loss	(2,299)	(3,628)
Retained earnings	402,115	335,131
Total stockholders’ equity	<u>351,742</u>	<u>275,460</u>
Total liabilities and stockholders’ equity	<u>\$2,443,100</u>	<u>\$2,345,790</u>

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(in thousands, except share and per share amounts)

	Thirteen Weeks Ended May 1, 2022	Thirteen Weeks Ended May 2, 2021
Food and beverage revenues	\$ 151,912	\$ 85,758
Amusement and other revenues	299,189	179,582
Total revenues	451,101	265,340
Cost of food and beverage	43,255	23,157
Cost of amusement and other	26,766	16,614
Total cost of products	70,021	39,771
Operating payroll and benefits	93,361	50,279
Other store operating expenses	124,425	84,445
General and administrative expenses	28,297	17,091
Depreciation and amortization expense	33,288	35,099
Pre-opening costs	2,997	1,659
Total operating costs	352,389	228,344
Operating income	98,712	36,996
Interest expense, net	11,391	14,820
Income before provision for income taxes	87,321	22,176
Provision for income taxes	20,337	2,541
Net income	66,984	19,635
Unrealized foreign currency translation gain (loss)	(42)	61
Unrealized gain on derivatives, net of tax	1,371	1,371
Total other comprehensive income	1,329	1,432
Total comprehensive income	\$ 68,313	\$ 21,067
Net income per share:		
Basic	\$ 1.38	\$ 0.41
Diluted	\$ 1.35	\$ 0.40
Weighted average shares used in per share calculations:		
Basic	48,580,273	47,695,705
Diluted	49,453,503	49,331,092

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands, except share amounts)

	Thirteen Weeks Ended May 1, 2022							
	Common Stock		Paid-In Capital	Treasury Stock At Cost		Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amt.		Shares	Amt.			
Balance January 30, 2022	61,563,613	\$616	\$548,776	13,073,678	\$(605,435)	\$ (3,628)	\$335,131	\$275,460
Net income	—	—	—	—	—	—	66,984	66,984
Unrealized foreign currency translation loss	—	—	—	—	—	(42)	—	(42)
Unrealized gain on derivatives, net of tax	—	—	—	—	—	1,371	—	1,371
Share-based compensation	—	—	3,555	—	—	—	—	3,555
Issuance of common stock	254,236	2	5,646	—	—	—	—	5,648
Repurchase of common stock	—	—	—	25,714	(1,234)	—	—	(1,234)
Balance May 1, 2022	<u>61,817,849</u>	<u>\$618</u>	<u>\$557,977</u>	<u>13,099,392</u>	<u>\$(606,669)</u>	<u>\$ (2,299)</u>	<u>\$402,115</u>	<u>\$351,742</u>
	Thirteen Weeks Ended May 2, 2021							
	Common Stock		Paid-In Capital	Treasury Stock At Cost		Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amt.		Shares	Amt.			
Balance January 31, 2021	60,488,833	\$605	\$531,191	12,842,227	\$(595,970)	\$ (9,085)	\$226,491	\$153,232
Net income	—	—	—	—	—	—	19,635	19,635
Unrealized foreign currency translation gain	—	—	—	—	—	61	—	61
Unrealized gain on derivatives, net of tax	—	—	—	—	—	1,371	—	1,371
Share-based compensation	—	—	2,971	—	—	—	—	2,971
Issuance of common stock	203,073	2	1,606	—	—	—	—	1,608
Repurchase of common stock	—	—	—	5,071	(236)	—	—	(236)
Balance May 2, 2021	<u>60,691,906</u>	<u>\$607</u>	<u>\$535,768</u>	<u>12,847,298</u>	<u>\$(596,206)</u>	<u>\$ (7,653)</u>	<u>\$246,126</u>	<u>\$178,642</u>

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Thirteen Weeks Ended May 1, 2022	Thirteen Weeks Ended May 2, 2021
Cash flows from operating activities:		
Net income	\$ 66,984	\$ 19,635
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	33,288	35,099
Non-cash interest expense	1,887	1,887
Deferred taxes	3,677	(4,840)
Loss on disposal of fixed assets	216	145
Share-based compensation	3,555	2,971
Other, net	993	950
Changes in assets and liabilities:		
Inventories	(1,282)	995
Prepaid expenses	(5,087)	197
Income tax receivable	48,224	14,840
Other current assets	(253)	(341)
Other assets and deferred charges	64	(2,097)
Accounts payable	(10,882)	1,173
Accrued liabilities	4,166	8,667
Income taxes payable	3,101	845
Other liabilities	(57)	(2,930)
Net cash provided by operating activities	<u>148,594</u>	<u>77,196</u>
Cash flows from investing activities:		
Capital expenditures	(40,037)	(10,359)
Proceeds from sales of property and equipment	200	54
Net cash used in investing activities	<u>(39,837)</u>	<u>(10,305)</u>
Cash flows from financing activities:		
Proceeds from debt	14,000	19,000
Payments of debt	(14,000)	(79,000)
Proceeds from the exercise of stock options	5,648	1,608
Repurchases of common stock to satisfy employee withholding tax obligations	(1,234)	(236)
Net cash provided by (used in) financing activities	<u>4,414</u>	<u>(58,628)</u>
Increase in cash and cash equivalents	113,171	8,263
Beginning cash and cash equivalents	25,910	11,891
Ending cash and cash equivalents	<u>\$ 139,081</u>	<u>\$ 20,154</u>
Supplemental disclosures of cash flow information:		
Increase in fixed asset accounts payable	\$ 2,917	\$ 1,845
Cash paid (refund received) for income taxes, net	\$ (35,129)	\$ (8,525)
Cash paid for interest, net	\$ 16,904	\$ 22,525

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

Note 1: Summary of Significant Accounting Policies

The accompanying unaudited consolidated financial statements include the accounts of Dave & Buster's Entertainment, Inc. (referred to herein as the "Company", "we," "us" and "our"), any predecessor companies and its wholly-owned subsidiaries, Dave & Buster's Holdings, Inc. ("D&B Holdings"), which owns 100% of the outstanding common stock of Dave & Buster's, Inc. ("D&B Inc"), the operating company. All intercompany balances and transactions have been eliminated in consolidation. The Company, headquartered in Coppell, Texas, is a leading operator of high-volume entertainment and dining venues ("stores") in North America for adults and families under the name "Dave & Buster's". The Company operates its business as one operating and one reportable segment. During the thirteen weeks ended May 1, 2022, we opened one new store located in Sioux Falls, South Dakota. As of May 1, 2022, we owned and operated 145 stores located in 41 states, Puerto Rico and one Canadian province.

The Company operates on a 52 or 53-week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period reported has 13 weeks. Fiscal 2022 and 2021, which end on January 29, 2023 and January 30, 2022, respectively, contain 52 weeks.

The Company's financial statements have been prepared in accordance with 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. Our quarterly financial data should be read in conjunction with the audited financial statements and notes thereto for the year ended January 30, 2022, included in our Annual Report on Form 10-K as filed with the SEC.

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities at the date of the consolidated financial statements and for the period then ended. Actual results could differ from those estimates. Operating results for the thirteen weeks ended May 1, 2022 are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year ending January 29, 2023.

Cash and cash equivalents — We consider 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. Our cash management system provides for the daily funding of all major bank disbursement accounts as checks are presented for payment. Under this system, outstanding checks in excess of the cash balances at certain banks creates book overdrafts. A book overdraft of \$16,673 is presented in "Accounts payable" in the Consolidated Balance Sheets as of January 30, 2022. There was no book overdraft as of May 1, 2022. Changes in the book overdraft position are presented within "Net cash provided by operating activities" within the Consolidated Statements of Cash Flows.

Fair value of financial instruments — Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In determining fair value, the accounting standards establish a three-level hierarchy for inputs used in measuring fair value as follows: Level One inputs are quoted prices available for identical assets or liabilities in active markets; Level Two inputs are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; and Level Three inputs are unobservable and reflect management's own assumptions.

The carrying amounts of cash and cash equivalents, accounts and notes receivable, accounts payable, and other current liabilities approximate fair value because of their short-term nature. The fair value of the Company's interest rate swap is determined based upon Level Two inputs which includes valuation models as reported by our counterparties and third-party valuation specialists. These valuation models are based on the present value of expected cash flows using forward rate curves. The fair value of our senior secured notes was \$455,387 and \$456,204 as of May 1, 2022 and January 30, 2022, respectively. The fair value of the Company's debt is determined based on a discounted cash flow method, using a sector-specific yield curve based on market-derived, trade price data as of the measurement date, and is classified as a Level Two input within the fair value hierarchy.

The Company also measures certain non-financial assets (primarily property and equipment, right-of-use ("ROU") assets, goodwill, tradenames, and other assets) at fair value on a non-recurring basis in connection with its periodic evaluations of such assets for potential impairment. During the first quarter of fiscal 2022, there were no impairments recognized.

[Table of Contents](#)

Interest rate swaps — Effective February 28, 2019, the Company entered into three interest rate swap agreements to manage our exposure to interest rate movements on our variable rate credit facility. The notional amount of the swap agreements, which mature August 17, 2022, totals \$350,000 and the fixed rate of interest for all agreements is 2.47%. Effective April 14, 2020, the Company amended its existing credit facility agreement to obtain relief from its financial covenants, and as a result, the variable interest rate terms were modified to create an interest rate floor of 1.00%. Accordingly, the Company discontinued the hedging relationship as of April 14, 2020 (de-designation date). Given the continued existence of the hedged interest payments, the Company is reclassifying its accumulated other comprehensive loss of \$17,609 as of the de-designation date into “Interest expense, net” using a straight-line approach over the remaining life of the originally designated hedging relationship, and the unamortized balance of \$2,201 as of May 1, 2022 will be fully amortized at maturity. Effective with the de-designation, any gain or loss on the derivatives are recognized in earnings in the period in which the change occurs. For the thirteen weeks ended May 1, 2022 and May 2, 2021, a gain of \$701 and \$131, respectively, were recognized, which are included in “Other store operating expenses” in the Consolidated Statements of Comprehensive Income.

The fair value of outstanding interest rate swap derivatives liability was \$1,172 and \$3,823 as of May 1, 2022 and January 30, 2022, respectively, and the balance is included in “Accrued liabilities” in the Consolidated Balance Sheets.

The following table summarizes the activity in accumulated other comprehensive loss related to our derivative instruments:

	Thirteen weeks ended	
	May 1, 2022	May 2, 2021
Loss reclassified or amortized into interest expense	\$ 1,887	\$ 1,887
Income tax effect	\$ (516)	\$ (516)

Revenue recognition — Amusement revenues are primarily recognized upon utilization of game play credits on power cards purchased and used by customers to activate video and redemption games. Redemption games allow customers to earn tickets, which may be redeemed for prizes in our WIN! area. We have deferred a portion of amusement revenues for the estimated unfulfilled performance obligations based on an estimated rate of future use by customers of unused game play credits and the material right provided to customers to redeem tickets in the future for prizes. During the thirteen weeks ended May 1, 2022, we recognized revenue of approximately \$19,100 related to the amount in deferred amusement revenue as of the end of fiscal 2021.

In jurisdictions where we do not have a legal obligation to remit unredeemed gift card balances to a legal authority, we recognize revenue on unredeemed gift cards in proportion to the pattern of redemption by the customers. During the thirteen weeks ended May 1, 2022, we recognized revenue of approximately \$2,100 related to the amount in deferred gift card revenue as of the end of fiscal 2021, of which approximately \$290 was breakage revenue.

Stockholders' equity — In our consolidated financial statements, the Company treats shares withheld for tax purposes on behalf of our employees in connection with the vesting of time-based and performance restricted stock units as common stock repurchases because they reduce the number of shares that would have been issued upon vesting. During the thirteen weeks ended May 1, 2022 and May 2, 2021, respectively, we withheld 25,714 and 5,071 shares of common stock to satisfy \$1,234 and \$236 of employees' tax obligations, respectively.

Earnings per share — Basic net income (loss) per share is computed by dividing net income available to common shareholders by the basic weighted average number of common shares outstanding for the reporting period. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. For the calculation of diluted net income per share, the basic weighted average shares outstanding is increased by the dilutive effect of stock options and restricted share awards. Stock options and restricted share awards with an anti-dilutive effect are not included in the diluted net income per share calculation. For the thirteen weeks ended May 1, 2022 and May 2, 2021, the Company excluded anti-dilutive awards from the calculation of approximately 102,896 and 111,485, respectively. Basic weighted average shares outstanding are reconciled to diluted weighted average shares outstanding as follows:

[Table of Contents](#)

	Thirteen weeks ended	
	May 1, 2022	May 2, 2021
Basic weighted average shares outstanding	48,580,273	47,695,705
Weighted average dilutive impact of awards	873,230	1,635,387
Diluted weighted average shares outstanding	49,453,503	49,331,092

Note 2: Accrued Liabilities

Accrued liabilities consist of the following as of the end of each period:

	May 1, 2022	January 30, 2022
Deferred amusement revenue	\$ 99,883	\$ 92,961
Current portion of operating lease liabilities, net (1)	52,780	45,445
Compensation and benefits	30,357	27,447
Current portion of deferred occupancy costs	14,248	19,164
Deferred gift card revenue	10,840	11,855
Property taxes	7,143	6,450
Current portion of long-term insurance	5,700	5,700
Customer deposits	5,592	3,471
Utilities	5,582	5,262
Sales and use taxes	5,574	4,465
Current portion of derivatives	1,172	3,823
Accrued interest	246	8,629
Other	15,803	13,821
Total accrued liabilities	\$ 254,920	\$ 248,493

- (1) The balance of leasehold incentive receivables of \$3,419 and \$10,064 as of May 1, 2022 and January 30, 2022, respectively, is reflected as a reduction of the current portion of operating lease liabilities.

Note 3: Debt

Long-term debt consists of the following:

	May 1, 2022	January 30, 2022
Senior secured notes	\$ 440,000	\$ 440,000
Total debt outstanding	440,000	440,000
Less debt issuance costs	(8,034)	(8,605)
Long-term debt, net	\$ 431,966	\$ 431,395

On October 27, 2020, the Company issued \$550,000 aggregate principal amount of 7.625% senior secured notes (the "Notes"). Interest on the Notes is payable in arrears on November 1 and May 1 of each year. The Notes mature on November 1, 2025, unless earlier redeemed, and are subject to the terms and conditions set forth in the related indenture. The Notes were issued by D&B Inc and are unconditionally guaranteed by D&B Holdings and certain of D&B Inc's existing and future wholly owned material domestic subsidiaries, which is substantially the same as the guarantors of the Company's existing credit facility. During fiscal 2021, the Company redeemed a total of \$110,000 outstanding principal amount of the Notes in two separate transactions, and paid prepayment premiums of \$3,300, plus accrued and unpaid interest to the date of redemptions. The early redemptions of the Notes resulted in a loss on extinguishment of approximately \$2,300 related to a proportional amount of unamortized issuance costs. Beginning October 27, 2022, the Company may elect to further redeem the Notes, in whole or in part, at certain specified redemption prices, plus accrued and unpaid interest, at the redemption date.

The interest rates per annum applicable to loans under our existing credit facility are based on a defined LIBOR rate plus an applicable margin, based on a total leverage ratio, as defined. The first amendment to the existing credit facility, effective April 14, 2020, increased the interest rate spread on variable rate debt to 2.00% and set a LIBOR floor of 1.00%. Concurrent and subject to the issuance of the Notes, the Company entered into a second amendment to its existing credit facility, which extended the maturity of the \$500,000 revolving portion of the facility from August 17, 2022, to August 17, 2024, and during the financial covenant suspension increased pricing period, increased the interest rate spread to 4.00% and instituted a 1.00% utilization fee. Shortly after the end of the Company's first quarter of fiscal 2022, the interest rate spread will range from 1.25% to 3.00% and the utilization fee, which is due at maturity, will cease. At the end of the first quarter of fiscal 2022, we had letters of credit outstanding of \$7,505 and an unused commitment balance of \$492,495 under the revolving credit facility.

[Table of Contents](#)

Amortization of debt issuance costs associated with the issuance of the Notes and credit facility was \$960 and \$1,102 for the first quarter of fiscal 2022 and fiscal 2021, respectively, and is included in “Interest expense, net” in the Consolidated Statements of Comprehensive Income. For the thirteen weeks ended May 1, 2022, and May 2, 2021, respectively, the Company’s weighted average effective interest rate on our total debt facilities (before capitalized interest amounts) was 10.90% and 10.15%, respectively.

Our credit facility and Notes contain restrictive covenants that, among other things, place certain limitations on our ability to incur additional indebtedness, make loans or advances to subsidiaries and other entities, pay dividends, acquire other businesses or sell assets. As of the end of the first quarter of fiscal 2022, the Company was in compliance with the financial covenants of our credit facility and all the restrictive covenants of the Notes and credit facility.

Note 4: Leases

We currently lease most of the buildings or sites for our stores, store support center, and warehouse space under facility operating leases. These leases typically have initial terms ranging from ten to twenty years and include one or more options to renew. When determining the lease term, we include option periods for which renewal is reasonably certain. Most of the leases require us to pay property taxes, insurance, and maintenance of the leased assets. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. Operating leases also includes certain equipment leases that have a term in excess of one year. Certain facility leases also have provisions for additional contingent rentals based on revenues.

Operating lease cost, variable lease cost and short-term lease cost related primarily to our facilities is included in “Other store operating expenses” for our operating stores, “Pre-opening costs” for our stores not yet operating, or “General and administrative expenses” for our corporate office and warehouse, in the Consolidated Statements of Comprehensive Income.

The components of lease expense, including variable lease costs primarily consisting of common area maintenance charges and property taxes, are as follows for the fiscal year ended:

	Thirteen Weeks Ended	
	May 1, 2022	May 2, 2021
Operating lease cost	\$ 34,782	33,294
Variable lease cost	9,847	7,389
Short-term lease cost	117	123
Total	<u>\$ 44,746</u>	<u>\$ 40,806</u>

During fiscal 2020 and the first half of fiscal 2021, the Company entered into rent relief agreements with our respective landlords. The Company elected to apply an available practical expedient to account for lease concessions and deferrals resulting directly from the COVID-19 pandemic as though the enforceable rights and obligations to the deferrals existed in the respective contracts at lease inception and not account for the concessions as lease modifications unless the concession results in a substantial increase in the Company’s obligations. A total of 208 of our 225 rent relief agreements qualified for this accounting election, and the remaining agreements were treated as lease modifications, primarily due to a significant extension of the lease term. The Company has bifurcated our current operating lease liabilities into the portion that remains subject to accretion and the portion that is accounted for as a deferral of payments. The current portion of deferred occupancy costs is included in “Accrued liabilities” and the balance, or \$6,353 and \$8,434 as of May 1, 2022 and January 30, 2022, respectively, is included in “Other liabilities” in the Consolidated Balance Sheets.

Note 5: Commitments and Contingencies

We are subject to certain legal proceedings and claims that arise in the ordinary course of our 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. In the opinion of management, based upon consultation with legal counsel, the amount of ultimate liability, with respect to such legal proceedings and claims will not materially affect the consolidated results of our operations or our financial condition. Legal costs related to such claims are expensed as incurred.

The Company is a defendant in several lawsuits filed in courts in California alleging violations of California Business and Professions Code, industry wage orders, wage-and-hour laws and rules and regulations pertaining primarily to the failure to pay proper regular and overtime wages, failure to pay for missed meals and rest periods, pay stub violations, failure to pay all wages due at the time of termination and other employment related claims (the “California Cases”). Some of the California Cases purport or may be

[Table of Contents](#)

determined to be class actions or Private Attorneys General Act representative actions and seek substantial damages and penalties. During fiscal 2020, the Company settled a portion of the cases at the approximate amount estimated and accrued. For the remaining cases, the Company's assessments are based on assumptions that have been deemed reasonable by management, but that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause the Company to change those estimates and assumptions. Management's assessment of these California Cases, as well as other lawsuits, could change because of future determinations or the discovery of facts that are not presently known. Accordingly, the ultimate costs of resolving these cases may be substantially higher or lower than estimated. The Company continues to aggressively defend the remaining cases.

Note 6: Share-Based Compensation

Compensation expense related to stock options and restricted stock units is included in "General and administrative expenses" in the Consolidated Statements of Comprehensive Income and is as follows:

	Thirteen Weeks Ended	
	May 1, 2022	May 2, 2021
Stock options	\$ 261	274
Restricted stock units	3,294	2,697
Share-based compensation expense	<u>\$ 3,555</u>	<u>\$ 2,971</u>

Transactions related to stock option awards during the thirteen weeks ended May 1, 2022 were as follows:

	2014 Stock Incentive Plan		2010 Stock Incentive Plan	
	Number of Options	Wtd. Avg. Exercise Price	Number of Options	Wtd. Avg. Exercise Price
Outstanding at January 30, 2022	933,379	\$ 42.50	73,554	\$ 8.33
Granted	36,844	47.71	—	—
Exercised	(160,091)	34.95	(6,059)	8.69
Forfeited	(7,855)	58.42	—	—
Outstanding at May 1, 2022	<u>802,277</u>	<u>\$ 44.08</u>	<u>67,495</u>	<u>\$ 8.30</u>
Exercisable at May 1, 2022	<u>765,433</u>	<u>\$ 43.91</u>	<u>67,495</u>	<u>\$ 8.30</u>

The total intrinsic value of options exercised during the thirteen weeks ended May 1, 2022 was \$2,287. The unrecognized expense related to our stock option plan totaled approximately \$954 as of May 1, 2022 and will be expensed over a weighted average period of 3.0 years.

Transactions related to restricted stock units during the thirteen weeks ended May 1, 2022, were as follows:

	Shares	Wtd. Avg. Fair Value
Outstanding at January 30, 2022	922,799	\$ 24.88
Granted	485,522	47.17
Performance adjusted units	11,808	46.75
Vested	(88,086)	47.46
Forfeited	(41,212)	51.66
Outstanding at May 1, 2022	<u>1,290,831</u>	<u>\$ 31.07</u>

Fair value of our time-based and performance-based restricted stock units is based on our closing stock price on the date of grant. The grant date fair value of stock options was determined using the Black-Scholes option valuation model. The unrecognized expense related to restricted stock units was \$27,575 as of May 1, 2022 and will be expensed over a weighted average period of 3.2 years.

During the thirteen weeks ended May 1, 2022 and May 2, 2021, excess tax expense (benefit) of \$(63) and \$(1,135), respectively, were recognized in the "Provision for income taxes" in the Consolidated Statement of Comprehensive Income and classified as a source in operating activities in the Consolidated Statement of Cash Flows.

Note 7: Income Taxes

The effective tax rate for the thirteen weeks ended May 1, 2022, was 23.3%, compared to 11.5% for the thirteen weeks ended May 2, 2021. The previous quarter tax provision includes higher excess tax benefits associated with share-based compensation and credits associated with the reversal of certain tax valuation allowances.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) was signed into law. Intended to provide economic relief to those impacted by the COVID-19 pandemic, the CARES Act includes provisions, among others, allowing for the carryback of net operating losses generated in fiscal 2018, 2019 and 2020 and technical amendments regarding the expensing of qualified improvement property. The application of the technical amendments made by the CARES Act to qualified improvement property resulted in additional tax net operating losses which were carried back from fiscal 2020 and fiscal 2019 to years with a higher federal corporate income tax rate. During the second quarter of fiscal 2021, the Company filed the fiscal 2020 carryback claims for federal tax refunds of approximately \$57,400, of which approximately \$33,200 were received during the first quarter of fiscal 2022.

Note 8: Acquisition

On April 6, 2022, the Company announced its entry into an Agreement and Plan of Merger, pursuant to which the Company has agreed to acquire 100% of the equity interests of Ardent Leisure Holding US, Inc. (“Ardent US”), doing business as “Main Event”, in exchange for cash consideration of \$835 million (to be adjusted for cash on hand, Ardent US transaction expenses, payments pursuant to Ardent US’s long term incentive plan, certain capital expenditures, and certain agreed upon working capital adjustments) less the indebtedness of Ardent US immediately prior to the closing of the transaction.

As of May 1, 2022, Ardent US owns and operates 48 family entertainment centers under the name “Main Event” and 3 family entertainment centers under the name “The Summit.” All of the centers are located in the United States.

The closing of the transaction is subject to customary closing conditions, including approval by the shareholders of Ardent Leisure Group, and the transaction is expected to close in the second quarter. We expect the full amount of the cash consideration paid will be funded by a new term loan facility.

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

The following discussion and analysis of our financial condition and results of operations should be read together with the accompanying unaudited consolidated financial statements and the related notes in Item 1 and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission (“SEC”) on March 29, 2022. Unless otherwise specified, the meanings of all defined terms in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are consistent with the meanings of such terms as defined in the Notes to Unaudited Consolidated Financial Statements. This discussion contains statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not a guarantee of future performance and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this quarterly report as a result of various factors, including those set forth in the section entitled “Risk Factors” in our Annual Report on Form 10-K filed with the SEC on March 29, 2022. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Form 10-Q, such results or developments may not be indicative of results or developments in subsequent periods.

Financial Highlights

- Revenues totaled \$451,101 in the first quarter of 2022 compared with \$363,582 in the first quarter of 2019. A total of 145 and 127 stores were open and operating without restrictions at the end of the first quarter of 2022 and 2019, respectively. Revenues totaled \$265,340 in the first quarter of 2021, which ended with 138 of 141 stores open and operating in limited capacity.
- Overall comparable store sales increased 10.9% compared with the same period in 2019 and increased 71.1% compared with the same period in 2021, which ended with 110 of 113 comparable stores open and operating in limited capacity.
- Net income totaled \$66,984, or \$1.35 per diluted share, compared with net income of \$42,443, or \$1.13 per diluted share in the same period of 2019. In the same period of 2021, we recorded net income of \$19,635.
- Adjusted EBITDA totaled \$143,247, or 31.8% of revenues, compared with Adjusted EBITDA of \$98,184 or 27.0% of revenues in the first quarter of 2019. The increase over fiscal 2019 in Adjusted EBITDA, as a percent of revenues, is largely driven by the higher mix of amusements, less discounting, lower hourly labor costs associated with labor efficiencies, and leveraging of certain fixed costs, including occupancy. Adjusted EBITDA was \$76,705 or 28.9% of revenues in the first quarter of 2021.
- Ended the quarter with \$139,081 in cash and approximately \$492,500 of liquidity available under the Company’s revolving credit facility. The Company’s total leverage ratio, as defined in the existing credit facility, was approximately 0.7x as of May 1, 2022.

General

We are a leading owner and operator of high-volume venues in North America that combine dining and entertainment for both adults and families under the name “Dave & Buster’s”. Founded in 1982, the core of our concept is to offer our customers the opportunity to “Eat Drink Play and Watch” all in one location. Eat and Drink are offered through a full menu of entrées and appetizers and a full selection of non-alcoholic and alcoholic beverages. Our Play and Watch offerings provide an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Our brand appeals to a relatively balanced mix of male and female adults, as well as families and teenagers. We believe we appeal to a diverse customer base by providing a highly customizable experience in a dynamic and fun setting.

[Table of Contents](#)

Our stores, which average 40,000 square feet, range in size between 16,000 and 70,000 square feet. Generally, our stores are open seven days a week, with normal hours of operation generally from 11:30 a.m. to midnight, with stores typically open for extended hours on weekends.

Key Measures of Our Performance

We monitor and analyze several key performance measures to manage our business and evaluate financial and operating performance. These measures include:

Comparable store sales. Comparable store sales are a comparison of sales to the same period of prior years for the comparable store base. We historically define the comparable store base to include those stores open for a full 18 months before the beginning of the fiscal year and excluding stores permanently closed during the period. Due to the limitations of store operations during the COVID-19 pandemic, the comparable store base for fiscal 2022 is defined as stores open for a full 18 months before the beginning of fiscal 2020 and excludes two stores that the Company elected not to reopen after they were closed in March 2020 due to local operating limitations and one store in Cary, North Carolina that was closed and relocated during the fourth quarter of fiscal 2021. For the first quarter of fiscal 2022, our comparable store base consisted of 113 stores.

New store openings. Our ability to expand our business and reach new customers is influenced by the opening of additional stores in both new and existing markets. The success of our new stores is indicative of our brand appeal and the efficacy of our site selection and operating models. Between May 3, 2021 and May 1, 2022, we closed and relocated one store and opened an additional four new stores.

Non-GAAP Financial Measures

In addition to the results provided in accordance with generally accepted accounting principles (“GAAP”), we provide non-GAAP measures which present operating results on an adjusted basis. These are supplemental measures of performance that are not required by or presented in accordance with GAAP and include Adjusted EBITDA, Adjusted EBITDA Margin, Store Operating Income Before Depreciation and Amortization and Store Operating Income Before Depreciation and Amortization Margin (defined below). These non-GAAP measures do not represent and should not be considered as an alternative to net income or cash flows from operations, as determined in accordance with GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Although we use these non-GAAP measures to assess the operating performance of our business, they have significant limitations as an analytical tool because they exclude certain material costs. For example, Adjusted EBITDA does not take into account a number of significant items, including our interest expense and depreciation and amortization expense. In addition, Adjusted EBITDA excludes pre-opening and other costs which may be important in analyzing our GAAP results. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. Our calculations of Adjusted EBITDA adjust for these amounts because they vary from period to period and do not directly relate to the ongoing operations of the currently underlying business of our stores and therefore complicate comparison of underlying business between periods. Nevertheless, because of the limitations described above, management does not view Adjusted EBITDA or Store Operating Income Before Depreciation and Amortization in isolation and also uses other measures, such as revenues, gross margin, operating income and net income, to measure operating performance.

Adjusted EBITDA and Adjusted EBITDA Margin. We define “Adjusted EBITDA” as net income (loss) plus interest expense, net, loss on debt extinguishment or refinancing, provision (benefit) for income taxes, depreciation and amortization expense, loss on asset disposal, impairment of long-lived assets, share-based compensation, pre-opening costs, currency transaction (gains) losses and other costs. “Adjusted EBITDA Margin” is defined as Adjusted EBITDA divided by total revenues.

Adjusted EBITDA is presented because we believe that it provides useful information to investors and analysts regarding our operating performance. By reporting Adjusted EBITDA, we provide a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance.

Store Operating Income Before Depreciation and Amortization and Store Operating Income Before Depreciation and Amortization Margin. We define “Store Operating Income Before Depreciation and Amortization” as operating income (loss) plus depreciation and amortization expense, general and administrative expenses and pre-opening costs. “Store Operating Income Before Depreciation and Amortization Margin” is defined as Store Operating Income Before Depreciation and Amortization divided by total revenues. Store Operating Income Before Depreciation and Amortization Margin allows us to evaluate operating performance of each store across stores of varying size and volume.

We believe that Store Operating Income Before Depreciation and Amortization is another useful measure in evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store-level,

[Table of Contents](#)

and the costs of opening new stores, which are non-recurring at the store-level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store Operating Income Before Depreciation and Amortization is a useful measure in evaluating our operating performance within the entertainment and dining industry because it permits the evaluation of store-level productivity, efficiency and performance, and we use Store Operating Income Before Depreciation and Amortization as a means of evaluating store financial performance compared with our competitors. However, because this measure excludes significant items such as general and administrative expenses and pre-opening costs, as well as our interest expense, net and depreciation and amortization expense, which are important in evaluating our consolidated financial performance from period to period, the value of this measure is limited as a measure of our consolidated financial performance.

Presentation of Operating Results

We operate on a 52 or 53-week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period has 13 weeks, except in a 53-week year when the fourth quarter has 14 weeks. All references to the first quarter of 2022 relate to the 13-week period ended May 1, 2022. All references to the first quarter of 2021 relate to the 13-week period ended May 2, 2021. All references to the first quarter of 2019 relate to the 13-week period ended May 5, 2019. Fiscal 2022, fiscal 2021 and fiscal 2019 consist of 52 weeks. All dollar amounts are presented in thousands, unless otherwise noted, except share and per share amounts.

Store-Level Variability, Quarterly Fluctuations, Seasonality and Inflation

We have historically operated stores varying in size and have experienced significant variability among stores in volumes, operating results and net investment costs.

Our new stores historically open with sales volumes in excess of their expected long-term run-rate levels, which we refer to as a “honeymoon” effect. We traditionally expect our new store sales volumes in year two to be 10% to 20% lower than our year one targets, and to grow in line with the rest of our comparable store base thereafter. As a result of the substantial revenues associated with each new store, the number and timing of new store openings may result in significant fluctuations in quarterly results.

In the first year of operation new store operating margins (excluding pre-opening expenses) typically benefit from honeymoon sales leverage on occupancy, management labor, and other fixed costs. This benefit is partially offset by normal inefficiencies in hourly labor and other costs associated with establishing a new store. In year two, operating margins may decline due to the loss of honeymoon sales leverage on fixed costs which is partially offset by improvements in store operating efficiency. Furthermore, rents in our new stores are typically higher than our comparable store base.

Our operating results fluctuate significantly due to seasonal factors. Typically, we have higher revenues associated with spring and year-end holidays which will continue to be susceptible to the impact of severe or unseasonably mild weather on customer traffic and sales during that period. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to the other quarters.

We expect that economic and environmental conditions and changes in regulatory legislation will continue to exert pressure on both supplier pricing and consumer spending related to entertainment and dining alternatives. Although there is no assurance that our cost of products will remain stable or that federal, state or local minimum wage rates will not increase beyond amounts currently legislated, the effects of any supplier price increase or wage rate increases might be partially offset by selected menu price increases if competitively appropriate. In addition, how quickly, and to what extent, normal economic and operating conditions can resume cannot be predicted, and the resumption of normal business operations may be delayed or constrained by lingering effects of the COVID-19 pandemic on us or our suppliers, third-party service providers, and/or customers.

[Table of Contents](#)

Thirteen Weeks Ended May 1, 2022 Compared to Thirteen Weeks Ended May 2, 2021

Results of operations. The following table sets forth selected data, in thousands of dollars and as a percentage of total revenues (unless otherwise noted) for the periods indicated. All information is derived from the accompanying unaudited consolidated statements of comprehensive income.

	Thirteen Weeks Ended May 1, 2022		Thirteen Weeks Ended May 2, 2021	
Food and beverage revenues	\$ 151,912	33.7%	\$ 85,758	32.3%
Amusement and other revenues	299,189	66.3	179,582	67.7
Total revenues	451,101	100.0	265,340	100.0
Cost of food and beverage (as a percentage of food and beverage revenues)	43,255	28.5	23,157	27.0
Cost of amusement and other (as a percentage of amusement and other revenues)	26,766	8.9	16,614	9.3
Total cost of products	70,021	15.5	39,771	15.0
Operating payroll and benefits	93,361	20.7	50,279	18.9
Other store operating expenses	124,425	27.5	84,445	31.9
General and administrative expenses	28,297	6.3	17,091	6.4
Depreciation and amortization expense	33,288	7.4	35,099	13.2
Pre-opening costs	2,997	0.7	1,659	0.6
Total operating costs	352,389	78.1	228,344	86.0
Operating income	98,712	21.9	36,996	14.0
Interest expense, net	11,391	2.5	14,820	5.6
Income before provision for income taxes	87,321	19.4	22,176	8.4
Provision for income taxes	20,337	4.6	2,541	1.0
Net income	\$ 66,984	14.8%	\$ 19,635	7.4%
Change in comparable store sales (1)		71.1%		56.5%
Company-owned stores at end of period (1)		145		141
Comparable stores at end of period (1)		113		114

(1) As of the end of the first quarter of fiscal 2022, all our 145 stores were open and operating without any health restrictions. As of the end of the first quarter of fiscal 2021, 138 of our 141 stores were open and operating in limited capacity. Our comparable store count as of the end of the first quarter of fiscal 2022 excludes a store in Cary, North Carolina, which was closed and relocated during the fourth quarter of fiscal 2021.

[Table of Contents](#)

Reconciliations of Non-GAAP Financial Measures

Adjusted EBITDA

The following table reconciles (in dollars and as a percent of total revenues) Net income to Adjusted EBITDA for the periods indicated:

	Thirteen Weeks Ended May 1, 2022		Thirteen Weeks Ended May 2, 2021	
Net income	\$ 66,984	14.8%	\$19,635	7.4%
Interest expense, net	11,391		14,820	
Provision for income taxes	20,337		2,541	
Depreciation and amortization expense	33,288		35,099	
EBITDA	132,000	29.3%	72,095	27.2%
Loss on asset disposal	216		145	
Share-based compensation	3,555		2,971	
Pre-opening costs	2,997		1,659	
Other costs (1)	4,479		(165)	
Adjusted EBITDA	<u>\$143,247</u>	31.8%	<u>\$76,705</u>	28.9%

- (1) Primarily represents costs related to the pending acquisition of Main Event. Refer to Note 8 of the unaudited financial statements for more information.

Store Operating Income Before Depreciation and Amortization

The following table reconciles (in dollars and as a percent of total revenues) Operating income to Store Operating Income Before Depreciation and Amortization for the periods indicated:

	Thirteen Weeks Ended May 1, 2022		Thirteen Weeks Ended May 2, 2021	
Operating income	\$ 98,712	21.9%	\$36,996	14.0%
General and administrative expenses	28,297		17,091	
Depreciation and amortization expense	33,288		35,099	
Pre-opening costs	2,997		1,659	
Store Operating Income Before Depreciation and Amortization	<u>\$163,294</u>	36.2%	<u>\$90,845</u>	34.2%

Capital Additions

The table below reflects accrual-based capital additions. Capital additions do not include any reductions for accrual-based leasehold improvement incentives or proceeds from sale-leaseback transactions (collectively, "Payments from landlords").

	Thirteen Weeks Ended May 1, 2022	Thirteen Weeks Ended May 2, 2021
New store and operating initiatives	\$ 35,131	\$ 7,145
Games	1,512	3,171
Maintenance capital	6,311	1,888
Total capital additions	<u>\$ 42,954</u>	<u>\$ 12,204</u>
Payments from landlords	\$ 713	\$ —

Results of Operations**Revenues**

In March 2020, a novel strain of coronavirus (“COVID-19”) outbreak was declared a global pandemic and a National Public Health Emergency. Shortly after the national emergency declaration, state and local officials began placing restrictions on businesses, some of which allowed To-Go or curbside service only while others limited capacity in the dining room or arcade (“Midway”). By March 20, 2020, all our 137 operating stores were temporarily closed. On April 30, 2020, our first store re-opened to the public, and by the end of fiscal 2020, 107 of our 140 stores were open and operating. These stores were operating with a combination of limited menus, reduced dining room seating, reduced game availability in the Midway, reduced operating hours and other restrictions referred to as “limited operations” or “operating in limited capacity.” As of the end of the first quarter of fiscal 2021, 138 of our 141 stores were operating in some limited capacity. The Company re-opened the remaining stores that had been temporarily closed by the end of the second quarter of fiscal 2021. During the first quarter of fiscal 2022 any remaining local COVID-19 related operating restrictions on re-opened stores were removed.

Selected revenue and store data for the periods indicated are as follows:

	Thirteen Weeks Ended		
	May 1, 2022	May 2, 2021	Change
Total revenues	\$ 451,101	\$ 265,340	\$185,761
Total store operating weeks	1,876	1,633	243
Comparable store revenues	\$ 368,477	\$ 215,406	\$153,071
Comparable store operating weeks	1,469	1,290	179
Noncomparable store revenues	\$ 89,150	58,498	\$ 30,652
Noncomparable store operating weeks	407	343	64
Other revenues and deferrals	\$ (6,526)	\$ (8,564)	\$ 2,038

Total revenues increased \$185,761, or 70.0%, to \$451,101 in the first quarter of fiscal 2022 compared to total revenues of \$265,340 in the first quarter of fiscal 2021. The increase in revenue is attributable primarily to a 14.9% increase in store operating weeks compared to the first quarter of fiscal 2021, when some of our stores remained temporarily closed as a result of the COVID-19 pandemic, as well as the removal of local COVID-19 related operating restrictions on re-opened stores. Revenues during the first quarter of fiscal 2022 were also favorably impacted by an increase in the revenue per item sold and an increase in our special events business. The table below represents our revenue mix for the fiscal periods indicated. The shift in mix from amusement sales to food and beverage sales of 165 basis points is due, in part, to increased special events, beverage price increases during the first quarter of fiscal 2022, and food price increases effective midway through the third quarter of fiscal 2021.

	Thirteen Weeks Ended	
	May 1, 2022	May 2, 2021
Food sales	22.5%	22.2%
Beverage sales	11.2%	10.1%
Amusement sales	65.9%	67.5%
Other	0.4%	0.2%

Comparable store revenue increased \$153,071 or 71.1%, in the first quarter of fiscal 2022 compared to the first quarter of fiscal 2021, due to the reasons noted above, including a 13.9% increase in comparable store operating weeks. Comparable store sales in the first quarter of fiscal 2022 increased 10.9% compared to the first quarter of fiscal 2021.

Food sales at comparable stores increased by \$35,502, or 76.1%, to \$82,138 in the first quarter of fiscal 2022 from \$46,636 in the first quarter of fiscal 2021. Beverage sales at comparable stores increased by \$20,137, or 93.2%, to \$41,734 in the first quarter of fiscal 2022 from \$21,597 in the 2021 comparison period. Comparable store amusement and other revenues in the first quarter of fiscal 2022 increased by \$97,432, or 66.2%, to \$244,605 from \$147,173 in the comparable period of fiscal 2021.

[Table of Contents](#)

Non-comparable store revenue increased \$30,652 in the first quarter of fiscal 2022 compared to the first quarter of fiscal 2021, for the same reasons noted above, including 64 more store operating weeks.

Cost of products

The total cost of products was \$70,021 for the first quarter of fiscal 2022 and \$39,771 for the first quarter of fiscal 2021. The total cost of products as a percentage of total revenues increased 50 basis points to 15.5% for the first quarter of fiscal 2022 compared to 15.0% for the first quarter of fiscal 2021.

Cost of food and beverage products increased to \$43,255 compared to \$23,157 for the first quarter of fiscal 2021. Cost of food and beverage products, as a percentage of food and beverage revenues, increased 150 basis points to 28.5% for the first quarter of fiscal 2022 from 27.0% for the first quarter of fiscal 2021. The unfavorable impacts of commodity cost increases primarily in meat and dairy products during the first quarter of fiscal 2022 were partially offset by food and beverage price increases.

Cost of amusement and other increased to \$26,766 in the first quarter of fiscal 2022 compared to \$16,614 in the first quarter of fiscal 2021. The costs of amusement and other, as a percentage of amusement and other revenues, decreased 40 basis points to 8.9% for the first quarter of fiscal 2022 from 9.3% in the first quarter of fiscal 2021. This decrease was driven primarily by a change in prices at the game level implemented late in fiscal 2021.

Operating payroll and benefits

Total operating payroll and benefits increased by \$43,082, or 85.7%, to \$93,361 in the first quarter of fiscal 2022 compared to \$50,279 in the first quarter of fiscal 2021. The total cost of operating payroll and benefits as a percentage of total revenues was 20.7% in the first quarter of fiscal 2022 compared to 18.9% in the first quarter of fiscal 2021. This increase is primarily due to an increase in hourly labor cost and an increase in labor hours worked as open positions are filled, offset slightly by favorable leveraging on management labor and benefits.

Other store operating expenses

Other store operating expenses increased by \$39,980, or 47.3%, to \$124,425 in the first quarter of fiscal 2022 compared to \$84,445 in the first quarter of fiscal 2021. The increase is primarily due to the impact of increased store weeks during the first quarter of fiscal 2022 on costs such as utilities, supplies, maintenance, and other services. Other store operating expense as a percentage of total revenues decreased to 27.5% in the first quarter of fiscal 2022 compared to 31.9% in the first quarter of fiscal 2021. This decrease was due primarily to favorable sales leveraging on occupancy costs and utilities.

General and administrative expenses

General and administrative expenses increased by \$11,206, or 65.6%, to \$28,297 in the first quarter of fiscal 2022 compared to \$17,091 in the first quarter of fiscal 2021. The increase in general and administrative expenses was driven primarily by higher incentive compensation, salaries and benefits, and share-based compensation as well as costs related to the potential acquisition of Main Event. General and administrative expenses, as a percentage of total revenues remained relatively unchanged at 6.3% in the first quarter of fiscal 2022 compared to 6.4% in the first quarter of fiscal 2021, due primarily to favorable leverage.

Depreciation and amortization expense

Depreciation and amortization expense was slightly down to \$33,288 in the first quarter of fiscal 2022 compared to \$35,099 in the first quarter of fiscal 2021. Increased depreciation due to our 2022 and 2021 capital expenditures for new stores, operating initiatives, games, and maintenance capital, was more than offset by other assets reaching the end of their depreciable lives.

Pre-opening costs

Pre-opening costs increased by \$1,338 to \$2,997 in the first quarter of fiscal 2022 compared to \$1,659 in the first quarter of fiscal 2021 due to an increase in the number of planned new store openings in the next six months compared to the same time period of the previous year, when construction was reduced as a result of the impacts of the COVID-19 pandemic.

Interest expense, net

[Table of Contents](#)

Interest expense, net decreased by \$3,429 to \$11,391 in the first quarter of fiscal 2022 compared to \$14,820 in the first quarter of fiscal 2021 due primarily to a decrease in average outstanding debt, due to the prepayment of \$110,000 outstanding principal amount of the senior secured notes during the second half of fiscal 2021.

Provision for income taxes

The effective tax rate for the first quarter of fiscal 2022 was 23.3%, compared to 11.5% for the first quarter of fiscal 2021. The previous quarter tax provision includes higher excess tax benefits associated with share-based compensation and credits associated with the reversal of certain tax valuation allowances.

Liquidity and Capital Resources

Debt

We maintain a \$500,000 unsecured revolving credit facility, which matures on August 17, 2024. Availability under the revolving credit facility is reduced by outstanding letters of credit, which are used to support our self-insurance programs. At the end of the first quarter of fiscal 2022, we had letters of credit outstanding of \$7,505 and an unused commitment balance of \$492,495 under the revolving credit facility.

The Company also issued \$550,000 aggregate principal amount of 7.625% senior secured notes (the “Notes”) during fiscal 2020. Interest on the Notes is payable in arrears on November 1 and May 1 of each year. The Notes mature on November 1, 2025, unless earlier redeemed, and are subject to the terms and conditions set forth in the related indenture. During fiscal 2021, the Company redeemed a total of \$110,000 outstanding principal amount of the Notes in two separate transactions, and paid prepayment premiums of \$3,300, plus accrued and unpaid interest to the date of redemptions. The early redemptions are expected to reduce net cash interest on the Notes by approximately \$8,400 annually. Beginning October 27, 2022, the Company may elect to further redeem the Notes, in whole or in part, at certain specified redemption prices, plus accrued and unpaid interest, at the redemption date.

The interest rates per annum applicable to loans under our existing credit facility are based on a defined LIBOR rate plus an applicable margin, based on a total leverage ratio, as defined. The first amendment to the existing credit facility, effective April 14, 2020, increased the interest rate spread on variable rate debt to 2.00% and set a LIBOR floor of 1.00%. Concurrent and subject to the issuance of the Notes, the Company entered into a second amendment to its existing credit facility, which extended the maturity of the \$500,000 revolving portion of the facility, and during the financial covenant suspension increased pricing period, increased the interest rate spread to 4.00% and instituted a 1.00% utilization fee. Shortly after the end of the Company’s first quarter of fiscal 2022, the interest rate spread will range from 1.25% to 3.00% and the utilization fee, which is due at maturity, will cease.

For the thirteen weeks ended May 1, 2022, and May 2, 2021, respectively, the Company’s weighted average effective interest rate on our total debt facilities (before capitalized interest amounts) was 10.90% and 10.15%, respectively.

Our credit facility and Notes contain restrictive covenants that, among other things, place certain limitations on our ability to incur additional indebtedness, make loans or advances to subsidiaries and other entities, pay dividends, acquire other businesses or sell assets. As of May 1, 2022, the Company was in compliance with the financial covenants of our credit facility and all the restrictive covenants of the Notes and credit facility.

On April 6, 2022, the Company announced its entry into an Agreement and Plan of Merger, pursuant to which the Company has agreed to acquire 100% of the equity interests of Ardent Leisure Holding US, Inc. (“Ardent US”), doing business as “Main Event”, in exchange for cash consideration of \$835 million (to be adjusted for cash on hand, Ardent US transaction expenses, payments pursuant to Ardent US’s long term incentive plan, certain capital expenditures, and certain agreed upon working capital adjustments) less the indebtedness of Ardent US immediately prior to the closing of the transaction. The closing of the transaction is subject to completion of customary closing conditions, including approval by the shareholders of Ardent Leisure Group, and the transaction is expected to close in the second quarter. We expect the full amount of the cash consideration paid will be funded by a new term loan facility.

Dividends and Share Repurchases

[Table of Contents](#)

On December 6, 2021, our Board of Directors approved a share repurchase program with an authorization limit of \$100,000, expiring at the end of fiscal 2022. Future decisions to pay cash dividends or repurchase shares continue to be at the discretion of the Board of Directors and will be dependent on our operating performance, financial condition, capital expenditure requirements and other factors that the Board of Directors considers relevant. There were no dividends declared or share repurchases during the first quarter of 2022.

Cash and Cash Equivalents

All the Company's stores were open and operating as of the end of the first quarter of fiscal 2022, and as of May 1, 2022, the Company had cash and cash equivalents of \$139,081. The Company can operate with a working capital deficit because cash from sales is usually received before related liabilities for product supplies, labor and services become due. Our operations do not require significant inventory or receivables and we continually invest in our business through the growth of stores and operating improvement additions, which are reflected as noncurrent assets and not a part of working capital. Based on our current business plan, we believe our cash and cash equivalents combined with expected cash flows from operations, available borrowings under our revolving credit facility and expected payments from landlords should be sufficient not only for our operating requirements but also to enable us, in the aggregate, to finance our non-acquisition related capital allocation strategy, including capital expenditures, through at least the next twelve months.

A comparison of our cash flow activity for the first quarter of fiscal 2022 to the same period of fiscal 2021 follows.

Operating Activities— Cash flow from operations typically provides us with a significant source of liquidity. Our operating cash flows result primarily from cash received from our customers, offset by cash payments we make for products and services, employee compensation, operations, and occupancy costs. Cash from operating activities is also subject to changes in working capital. Working capital at any specific point in time is subject to many variables, including seasonality, the timing of cash receipts and payments, and vendor payment terms. Cash flow from operating activities increased approximately \$71,400 in the first quarter of fiscal 2022 compared to the first quarter of fiscal 2021 driven primarily by improved operating margins, approximately 243 more store weeks, and the receipt of a federal tax refund in the amount of approximately \$33,200.

Investing Activities — Cash flow from investing activities primarily reflects capital expenditures.

During the first quarter of fiscal 2022, the Company spent approximately \$31,300 for new store construction and operating improvement initiatives (\$30,600 net of payments from landlords), \$1,400 for game refreshment and \$7,400 for maintenance capital.

During the first quarter of fiscal 2021, the Company spent approximately \$7,600 for new store construction and operating improvement initiatives, \$2,100 for game refreshment and \$700 for maintenance capital.

Financing Activities — There was no significant financing activity during the first quarter of fiscal 2022. During the first quarter of fiscal 2021, the Company had net repayments of \$60,000 of its revolving credit facility.

Contractual Obligations and Commitments

There have been no material changes outside the ordinary course of business to our contractual obligations since January 30, 2022, as reported on Form 10-K filed with the SEC on March 29, 2022.

Accounting policies and estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosures of contingent assets and liabilities. These estimates and assumptions affect amounts of assets, liabilities, revenues and expenses and the disclosure of gain and loss contingencies at the date of the consolidated financial statements. Our current estimates are subject to change if different assumptions as to the outcome of future events were made. We evaluate our estimates and judgments on an ongoing basis, and we adjust our assumptions and judgments when facts and circumstances dictate. Since future events and their effects cannot be determined with absolute certainty, actual results may differ from the estimates we used in preparing the accompanying consolidated financial statements. A complete description of our critical accounting policies and estimates is included in our annual consolidated financial statements and the related notes in our Annual Report on Form 10-K filed with the SEC on March 29, 2022.

Recent accounting pronouncements

Refer to Note 1 to the Unaudited Consolidated Financial Statements for information regarding new accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk

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

Interest Rate Risk

Outstanding borrowings on our revolving credit facility are based on variable rates, and we have historically elected to use LIBOR. Although our borrowing arrangements provide for alternative base rates other than LIBOR, those rates have historically been higher than those we paid based on LIBOR (which currently is subject to a floor of 1.00%). When LIBOR ceases to exist, we will likely need to agree upon a replacement index with our lenders, and the interest rate thereunder will likely change. As of May 1, 2022, there was no balance outstanding on our revolving credit facility.

Inflation

Severe increases in inflation could affect the United States or global economies and have an adverse impact on our business, financial condition and results of operation. If several of the various costs in our business experience inflation at the same time, such as commodity price increases beyond our ability to control and increased labor costs, we may not be able to adjust prices to sufficiently offset the effect of the various cost increases without negatively impacting consumer demand.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Interim Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 promulgated under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, the Interim Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during our first quarter ended May 1, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings is incorporated by reference from Note 5 to our Unaudited Consolidated Financial Statements set forth in Part I of this report.

Item 1A. Risk Factors

The Company is supplementing the Risk Factors previously disclosed in Item 1A of the Annual Report on Form 10-K for the fiscal year ended January 30, 2022, (the “Annual Report”). The following Risk Factor should be read in conjunction with the Risk Factors disclosed in the Annual Report.

We may acquire a business in the future that we fail to effectively integrate or operate.

We recently announced an agreement and plan of merger to acquire a business as part of our expansion effort. If the acquisition is finalized, we may not be successful in integrating future acquisitions into our existing operations, which may result in unforeseen operational difficulties, diminished financial performance or our inability to report financial results and may require a disproportionate amount of our management’s attention. If we fail to manage future acquisitions effectively, our results of operations could be adversely affected.

[Table of Contents](#)

Our potential acquisition and any future acquisitions will be accompanied by the risks commonly encountered in acquisitions, including:

- incorrect assumptions regarding the future results of acquired operations or assets or expected cost reductions or other synergies expected to be realized from acquiring operations or assets;
- failure to integrate the operations or management of any acquired operations or assets successfully and timely;
- potential loss of key employees and customers of the acquired companies;
- potential lack of experience operating in a geographic market or product line of the acquired business;
- an increase in our expenses, particularly overhead expenses, and working capital requirements;
- the possible inability to achieve the intended objectives of the business combination; and
- the diversion of management's attention from existing operations or other priorities.

Item 2. Unregistered Sales of Equity Securities

There were no repurchases of our common stock under our share repurchase plan during the thirteen weeks ended May 1, 2022.

Table of Contents

Item 6.	Exhibits
Exhibit Number	Description
10.1*	<u>Form of Employment Agreement (May 2022 version) by and among Dave & Buster's Management Corporation, Dave & Buster's Entertainment, Inc. and the various executive officers of Dave & Buster's Entertainment, Inc.</u>
31.1*	<u>Certification of Kevin M. Sheehan, Interim Chief Executive Officer of the Registrant, pursuant to 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a).</u>
31.2*	<u>Certification of Michael A. Quartieri, Chief Financial Officer of the Registrant, pursuant to 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a).</u>
32.1*	<u>Certification of Kevin M. Sheehan, Interim Chief Executive Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Michael A. Quartieri, Chief Financial Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Inline Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Inline Taxonomy Extension Schema Document
101.CAL	XBRL Inline Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Inline Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Inline Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Inline Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herein

[Table of Contents](#)

Signatures

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

DAVE & BUSTER'S ENTERTAINMENT, INC.,
a Delaware corporation

Date: June 7, 2022

By: /s/ Kevin M. Sheehan
Kevin M. Sheehan
Interim Chief Executive Officer

Date: June 7, 2022

By: /s/ Michael A. Quartieri
Michael A. Quartieri
Chief Financial Officer

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is entered into on the ___ day of _____, 20__ (the "Effective Date"), between Dave & Buster's Management Corporation, Inc., a Delaware corporation ("D&B Management"), Dave & Buster's Entertainment, Inc., a Delaware corporation ("D&B"), and _____ (the "Employee"). D&B Management and D&B are collectively referred to herein as the "Company." D&B Management, D&B and the Employee are collectively referred to herein as the "Parties".

WHEREAS, as of the Effective Date, D&B Management shall employ Employee and D&B agrees that Employee shall serve as _____;

WHEREAS, the Parties acknowledge and agree that the services of the Employee are of a special and unique character, and in the performance of duties for the Company, the Employee has been and will be provided additional Confidential Information, pursuant to and in reliance on the restrictive covenant obligations and the restrictions on disclosure of the Confidential Information set forth in Paragraph 7;

WHEREAS, the Company desires to be assured that the Confidential Information and goodwill of the Company will be preserved for the exclusive benefit of the Company and that, as a material incentive for the Company to enter into this Agreement, as well as in exchange for the consideration specified herein (including, without limitation substantial amounts of compensation, benefits and access to the Confidential Information, in each case, as set forth herein), and employment of the Employee under this Agreement, the Employee acknowledges and agrees to be bound by the restrictive covenant obligations and the restrictions on disclosure of the Confidential Information set forth in Paragraph 7;

WHEREAS, the Parties acknowledge and agree that the restrictive covenant obligations and the restrictions on disclosure of the Confidential Information set forth in Paragraph 7 are essential to the continued growth and stability of the Company's business, good will, customer base and to the continuing viability of its endeavors, and are a material inducement to the Company entering into this Agreement; and

WHEREAS, the Parties acknowledge and agree that the Company would be irreparably harmed if their Confidential Information were disclosed by the Employee.

NOW, THEREFORE, for and in consideration of the promises herein contained, the provision of Confidential Information and other good and valuable consideration, the sufficiency of which is hereby acknowledged, D&B, D&B Management, and Employee agree as follows:

1. **Employment/Duties.** D&B Management agrees to employ Employee and D&B agrees that Employee shall serve as _____. Employee will be responsible for performing those duties that are customarily associated with the position of _____.

_____ and other such reasonable duties that are assigned by the Chief Executive Officer (or Board of Directors if role is Chief Executive Officer) from time-to-time. The Company or its Affiliates (as defined below) will provide appropriate training to Employee to permit him to perform his duties competently.

2. **Term of Agreement.** This Agreement shall be in effect for one (1) year from the Effective Date of this Agreement unless it is terminated earlier under the terms of Paragraph 8; provided, however, that commencing on the first anniversary of the Effective Date, and on each annual anniversary of such date, the term of this Agreement shall be automatically extended for a one year period unless it is terminated earlier under the terms of Paragraph 8. The Parties agree that unless specifically stated otherwise, the obligations created in Paragraphs 7, 9, 10, 11, 12 and 18 will survive the termination of this Agreement and of Employee's employment with D&B Management.

3. **Employee's Responsibilities.** Employee agrees that unless specifically stated otherwise, during the term of Employee's employment by D&B Management, Employee will devote Employee's full business time and best efforts and abilities to the performance of his duties for the Company. Employee agrees to act in the best interest of the Company at all times. Employee will act in accordance with the highest professional standards of ethics and integrity. Employee agrees to use Employee's best efforts and skills to preserve the business of the Company and the goodwill of its employees and persons having business relations with the Company. Employee will comply with all applicable laws and all of the Company's and its Affiliates' then current policies and procedures. Notwithstanding anything contained herein to the contrary, if (a) Employee complies with the terms and provisions of D&B's Code of Business Conduct and Ethics, as the same may be revised from time-to-time and (b) Employee's activities do not interfere with Employee's obligations to the Company, then, during the term of Employee's employment by D&B Management, Employee may: (x) engage in charitable, civic, fraternal and professional activities, (y) give lectures on behalf of educational or for-profit institutions, and (z) manage personal investments; provided that Employee shall disclose any conflicts of interest that cause Employee's personal endeavors to be in material conflict with the business of the Company and/or its Affiliates. Employee shall only serve on the board of directors of (i) a national charitable, civic or fraternal organization, (ii) a privately owned business, or (iii) a publicly-traded company with the prior written approval of the Board of Directors of D&B Management, in its sole discretion, and only to the extent that any such enterprise described in (i), (ii), or (iii) is not a Competitive Business. The Board of Directors of D&B Management will consider Employee's performance, time in role, time required to fulfill Employee's obligations to the Company, as well as the potential benefit to the Company in making its determination.

4. **No Limitations.** Employee warrants and represents that there is no contractual, judicial or other restraint that impairs Employee's right or legal ability to enter into this Agreement and to carry out Employee's duties and responsibilities to the Company, its affiliates, and its subsidiaries.

5. **Compensation and Benefits.**

(a) **Base Salary.** During the term of this Agreement, D&B Management will pay to Employee a base salary of \$_____ per year. The base salary will be paid bi-weekly on regularly scheduled paydays determined by the Company. Employee shall be given an annual performance evaluation and, as determined by the Board of Directors of D&B Management, may receive periodic salary increases.

(b) **Annual Bonus.** During the term of this Agreement, the Employee will be eligible to receive an annual bonus as approved on annual basis by the Board of Directors of D&B Management and, if so approved, as determined by the Company based upon the attainment of a combination of individual and Company goals during a fiscal year set forth in a bonus plan approved by the Board of Directors of D&B Management, payable in accordance with such bonus plan. Employee's individual participation percentage in the bonus plan at target is equal to ___% of such Employee's base salary for the fiscal year.

(c) **Retirement and Welfare Plans.** Employee shall be eligible to participate in any profit sharing, qualified and nonqualified retirement plans, and any health, life, accident, disability insurance, sick leave, or other benefit plans or programs made available to similarly situated employees of the Company in accordance with the terms of such plans, as may be amended, supplemented or modified from time to time (collectively, the "Plans"), as long as they are kept in force by the Company and provided that Employee meets the eligibility requirements of the respective Plans. Nothing contained herein shall limit the right of the Company, in its sole and absolute discretion, to modify, amend or discontinue any of the Plans.

(d) **Vacation.** Subject to the Company's generally applicable policies relating to vacations, Employee shall be entitled to paid vacation commensurate with the Company's policy for senior management and Employee's position and tenure with the Company, but in no event less than twenty-seven (27) days paid vacation during each calendar year.

(e) **Office and Support Staff.** To the extent reasonably practicable, the Company shall endeavor to supply the Employee (i) with all equipment, supplies, and secretarial staff reasonably required in the performance of the Employee's duties and (ii) a fully furnished and appointed office comparable in size, furnishings and decorations to the offices of other officers of D&B of comparable responsibilities and the facilities of the Company shall be generally available to Employee in the performance of Employee's duties.

(f) **Other Benefits.** The Company will provide Employee with other employment benefits, as in existence from time to time, the Company provides to its full-time executive employees.

(g) **Expenses.** The Company shall reimburse the Employee for all reasonable business expenses incurred by the Employee in connection with the performance of the Employee's duties under this Agreement, including, but not limited to, reasonable travel, meals, and hotel accommodations of Employee, in each case subject to the Company's then current policies and procedures. Reimbursement shall be made upon submission by Employee of vouchers or an itemized list thereof in accordance with the Company's then current policies and procedures. Employee hereby authorizes the Company in advance to deduct any expenses from the Employee's salary if Employee fails to submit an expense as provided by the Company's then current policies and procedures.

(h) **Long-Term Incentive Plan.** The Parties acknowledge that the Company has offered certain long-term incentive benefits pursuant to the Dave & Buster's Entertainment, Inc. Amended and Restated 2014 Omnibus Incentive Plan (as such plan may be amended, modified, supplement, restated or replaced from time to time), the terms of which shall be governed in any separate award agreement for benefits granted under such plan.

(i) **Sign-On Bonus.** The Employee shall be entitled to a one-time, cash bonus payment in the amount of \$_____, less applicable taxes, payable upon the Effective Date. *[Alternative: The Company will give Employee a sign-on grant of \$_____ worth of restricted stock units within Employee's first 30 days of employment. The units will vest in equal installments over _____ years and the number of shares will vary based on the closing price on the actual grant date. The grant will be subject to the terms of the Company's grant agreement.]*

6. **Training.** The Company has provided and will continue to provide Employee with such specialized training as the Company, in its sole discretion, deems necessary or beneficial to the performance of Employee's job duties.

7. **Confidential Information and Restrictive Covenants.** In consideration of the premises and mutual promises contained herein, and for other good and valuable consideration specified herein (including, without limitation substantial amounts of compensation, the Company Group (as defined below) shall provide the Employee with benefits and Confidential Information, the use or disclosure of which would cause the Company Group substantial loss or injury including substantial diminishment of their goodwill, and would place the Company Group at a material competitive disadvantage. Accordingly, the Company and the Employee hereby agree as follows:

(a) **Certain Definitions.**

(i) As used in this Agreement, "**Affiliate**" of any person means any person, directly or indirectly controlling, controlled by or under common control with such person, and includes any person who is an officer, director or employee of such person and any person that would be deemed to be an "affiliate" or an "associate" of such person, as

those terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended. As used in this definition, “controlling” (including, with its correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, partnership or other ownership interests, by contract or otherwise). With respect to any natural person, “Affiliates” shall also include, without limitation, such person’s spouse, child and any trust the beneficiaries or grantor of which are limited solely to such person and/or his or her spouse or child. As used in this Agreement, “person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization or other entity.

(ii) As used in this Agreement, “Company Group” shall mean D&B, any subsidiary and any successor to any of the foregoing.

(iii) As used in this Agreement, “Competitive Business” shall mean the owners or operators of venues in the Restricted Territory that combine a dining offering that is primarily full service with games, entertainment, sports attractions or sports viewing, but shall not include (x) dining establishments that derive less than 20% of their aggregate revenues from games, entertainment and sports attractions and have not highlighted sports viewing as a core offering in their consumer marketing or (y) entertainment concepts that derive less than 20% of their aggregate revenues from dining operations. For the avoidance of doubt, Competitive Business shall include, without limitation, the companies identified in Appendix A to the minutes of the Company’s compensation committee meeting whereby the form of this Agreement was approved.

(iv) As used in this Agreement, “Restricted Territory” shall mean: (a) North America and (b) any other state, province or country in which the Company (1) operates during the Employee’s employment or at the time of the Employee’s resignation or termination or (2) has expressed interest in operating or expects to operate within two (2) years following the Employee’s resignation or termination, and in each case in clause (2), of which the Employee was aware.

(b) Nondisclosure of Confidential Information. During the term of this Agreement, the Company Group agrees to continue to provide, and the Employee will acquire, certain Confidential Information. As a material incentive for the Company Group to enter into this Agreement, as well as in exchange for the consideration specified herein (including, without limitation substantial amounts of compensation, benefits and access to the Confidential Information, in each case, as set forth herein), and employment of the Employee under this Agreement, the Employee shall maintain in strict confidence and shall not disclose to third parties or use in any task, work or business (except on behalf of the Company Group) any proprietary or confidential information regarding the Company Group and/or his work with the Company Group, including, without limitation, trade secrets, current and future business plans, customers, customer lists, customer information, vendors, vendor lists, vendor information, employees, employee information, sales,

purchasing, pricing determinations, price points, internal and external cost structures, operations, marketing, financial and other business strategies, positioning of stores, information and plans, products and services, games and amusement, development of games and amusement, food and beverage, financial performance and other financial data and compilations of data, new store development and locations, pipeline, information regarding the Company Group's processes, computer programs and/or records, software programs, intellectual property, business development opportunities, acquisitions, acquisition targets, confidential information developed by consultants and contractors, manuals, memoranda, projections, and minutes ("Confidential Information"), without the express written permission of the Board of Directors of D&B. The Employee's confidentiality obligation in this Paragraph 7 shall include, but not be limited to, any Confidential Information to which the Employee has access to, had access to, will have access to, receives, or received in connection with his employment by Company Group, and any information designated as confidential by the Company Group. Notwithstanding the foregoing, the term Confidential Information shall not include information that (i) is publicly disclosed through no fault of the Employee, either before or after it becomes known to the Employee, (ii) was known to the Employee prior to the date of this Agreement, which knowledge was acquired independently and not from the Company Group or its directors or employees or (iii) became available to the Employee on a non-confidential basis from a source other than the Company Group, provided such source is not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company Group or any other party with respect to such information. The Company Group and the Employee acknowledge and agree that the Confidential Information is continually evolving and changing and that some new Confidential Information will be needed by the Employee and provided by the Company Group for the first time in the course of the term of this Agreement. The Employee expressly acknowledges the trade secret status of the Confidential Information and agrees that the Employee's access to such Confidential Information constitutes a protectable business interest of the Company Group. Notwithstanding the foregoing restrictions, the Employee may disclose any Confidential Information (a) to the Employee's legal advisors subject to such advisor's agreement to maintain the information as confidential, (b) to the extent required for the Employee's enforcement of his rights hereunder (provided that such information be submitted under seal or otherwise not publicly disclosed), (c) to the extent required by an order of any court or other governmental authority, but in each case only after the Company Group has been so notified in writing and has had five (5) business days to obtain reasonable protection for such information in connection with such disclosure, and (d) if such disclosure is protected under the whistleblower provisions of federal law or regulation. 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly,

the parties to this Agreement have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

(c) Return of Property. Upon termination of the Employee's employment with the Company Group (for any reason), the Employee shall promptly return to the Company Group all Company property, Confidential Information and all copies thereof obtained by the Employee, or his employees or agents. The Parties acknowledge that the Company Group would not retain the Employee's services or provide him with access to its Confidential Information without the covenants and promises contained in this Paragraph 7. For avoidance of doubt, the Employee shall deliver promptly to the Company Group on termination of his employment with the Company Group for any reason, or at any other time the Company Group may so request, all Confidential Information and all other documentation containing information relating to the business of the Company Group or property of the Company Group which he obtained or developed while employed by, or otherwise serving or acting on behalf of, the Company Group and which he may then possess or have under his control or relating to the "Work" (as defined below).

(d) Non-Access. Employee agrees that following the termination of his employment with D&B Management, he will not access the Company Group's computer systems, download files or any information from the Company Group's computer systems or in any way interfere, disrupt, modify or change any computer program used by the Company Group or any data stored on the Company Group's computer systems. Employee further agrees that all of the computers, handheld devices, and mobile telephones provided by the Company are the sole property of the Company Group.

(e) Acknowledgment of the Company Group's Right In Work Product. During the term of this Agreement, the Employee will create, develop and contribute for consideration certain ideas, plans, calculations, technical specifications, works of authorship, inventions, information, data, formulas, models, reports, processes, photographs, marks, designs, computer code, concepts and/or other proprietary materials to the Company Group related to the operation or promotion of the business of the Company Group (collectively, the "Work"). All of the Work is, was and shall hereafter be, a commissioned "work for hire" owned by the Company Group within the meaning of Title 17, Section 101 of the United States Code, as amended. If any portion of the Work is determined not to be a "work for hire" or such doctrine is not effective, the Employee hereby irrevocably assigns, conveys and otherwise transfers to the Company Group, and its respective successors, licensees, and assigns, all right, title and interest worldwide in and to such portion of the Work and all proprietary rights therein, including, without limitation, all copyrights, trademarks, design patents, trade secret rights, moral rights, and all contract and licensing rights, and all claims and causes of action with respect to any of the foregoing, whether now known or hereafter to become known. In accordance with this assignment, the Company Group shall hold all ownership to all rights, without limitation,

in and to all of the Work for its own use and for its legal representatives, assigns and successors, and this assignment shall be binding on and extended to the heirs, assigns, representatives and successors of the Employee. In the event the Employee has any right or interest in the Work which cannot be assigned, the Employee agrees to waive enforcement worldwide of any and all such rights or interests against the Company Group and its respective successors, licensees and assigns, and the Employee hereby exclusively and irrevocably licenses any and all such rights and interests, worldwide, to the Company Group in perpetuity and royalty-free, along with the unfettered right to sublicense. All such rights are fully assignable by Company Group. The Employee hereby agrees that all Work is created or developed for the sole use of the Company Group, and that the Employee has no right to market in any manner whatsoever any such Work.

(f) Non-Compete Agreement. The Parties agree that, during the course of the Employee's employment by the Company Group and during the term of this Agreement, the Employee will have access to, and the benefit of, the Company Group's Confidential Information, including but not limited to, the Confidential Information described in Paragraph 7(b). The Parties agree that, during the Employee's employment, the Employee will represent the Company Group and develop contacts and relationships with other persons and entities on behalf of the Company Group, including but not limited to, with customers and potential customers. To protect the Company Group's interest in its Confidential Information, contacts and relationships, to enforce the Employee's obligations under this Paragraph 7, and as a material inducement for the Company Group to enter into this Agreement, as well as in exchange for the consideration specified herein (including, without limitation, substantial amounts of compensation, benefits and access to and provision of the Confidential Information, in each case, as set forth herein), and employment of the Employee under this Agreement, the Parties hereby agree and covenant that during the term of this Agreement and for a period of one (1) year (or two (2) years if the Employee is Chief Executive Officer) from the termination of this Agreement for any reason (including, without limitation, resignation by the Employee or upon notice from the Employee as provided in Paragraph 8(b)) (the "Non-Compete Period"), the Employee shall not directly or indirectly, for himself or others, within the Restricted Territory:

(i) own, manage, operate, join, control, or participate in the ownership, management, operation or control of, or engage in any activity, work, business, or investment with any other Competitive Business (or for or on behalf of any other entity or person or any other Competitive Business), including, without limitation, any attempted or actual activity as an employee, officer, director, advisor, agent, equityholder, consultant or independent contractor (whether or not compensated for any of the foregoing); provided, however, that the Employee may own an investment interest of less than 2% in a publicly-traded company.

(g) Non-Solicitation and Non-Hire Agreement. Additionally, in exchange for the consideration specified herein and as stated in this Paragraph 7, and as a material incentive for the Company Group to enter into this Agreement, during the term of this Agreement and for a period of two (2) years from the termination of this Agreement for

any reason (including, without limitation, resignation by the Employee) (the “Non-Solicitation and Non-Hire Period”), the Employee shall not, directly or indirectly, on his own behalf or on behalf of any other person, partnership, entity, association, or corporation, induce or attempt to influence, induce, encourage, any employee of the Company Group at or above the managerial level (including, without limitation, store managers and regional managers), supplier, vendor, licensee, distributor, contractor or other business relation of the Company Group to cease doing business with, adversely alter or interfere with its business relationship with, the Company Group. Further, during the Non-Solicitation and Non-Hire Period, the Employee shall not, on his own behalf or on behalf of any other person, partnership, entity, association, or corporation, (i) solicit or seek to hire any employee of the Company Group at or above the store general manager level for operations employees and the officer level for non-operations employees or in any other manner attempt directly or indirectly to influence, induce, or encourage any employee of the Company Group at or above the store general manager level for operations employees and with a title of “Director” or more senior for non-operations employees to leave their employ (provided, however, that nothing herein shall restrict the Employee from engaging in any general solicitation that is not specifically targeted at such persons), nor shall he use or disclose to any person, partnership, entity, association, or corporation any information concerning the names, addresses or personal telephone numbers of any employees of the Company Group, or (ii), without the Company’s prior written consent, hire, employ or engage as a consultant any employee of the Company Group with a title of “Director” or more senior.

(h) Reasonableness of Restrictions, Modification. It is the desire and intent of the Parties to this Agreement that the provisions of this Paragraph 7 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. It is expressly understood and agreed that the Company Group and the Employee consider the restrictions contained in this Paragraph 7 to be reasonable and necessary for the purposes of preserving and protecting the Confidential Information and other legitimate business interests of the Company Group. Nevertheless, if any of the aforesaid restrictions is found to be unreasonable, over-broad as to geographic area, duration or scope of activity, or otherwise unenforceable, the Company Group and the Employee intend for the restrictions herein set forth to be modified to be reasonable and enforceable and, as so modified, to be fully enforced.

(i) Specific Performance, Injunctive and Other Relief. The Parties acknowledge that money damages would not be a sufficient remedy for any breach or threatened breach of this Paragraph 7 by the Employee. Therefore, notwithstanding the arbitration provisions in Paragraph 10, the Employee and the Company Group agree that the Company Group may resort to a court to enforce this Paragraph 7 by injunctive relief. The Parties agree that the Company Group may enforce this promise without posting a bond and without giving notice to the maximum extent permitted by law. The remedies addressed in this Paragraph 7(i), shall not be deemed the exclusive remedies for a breach and/or threatened breach of this Paragraph 7, but shall be in addition to all remedies available at law or in equity to the Company Group, including, without limitation, the

recovery of damages from the Employee. The Employee agrees that the Non-Compete Period and the Non-Solicitation Period shall be tolled during any period of violation by Employee of this Paragraph 7.

(j) Notice and Opportunity to Cure. In the event that the Company asserts that Employee is not in compliance with any of its obligations under this Paragraph 7, unless such non-compliance or breach is willful and intentional or not susceptible to cure, the Company shall provide the Employee with written notice of such assertion and a ten (10) business day opportunity to cure such noncompliance prior to its withholding payment of any consideration specified in this Agreement or taking other legal action.

8. Termination of Agreement.

(a) Death or Disability. This Agreement shall automatically terminate upon the death of Employee or upon Employee's becoming disabled to the extent that he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of D&B Management. The determination of Employee's disability shall be made in good faith by a physician reasonably acceptable to the Company.

(b) Upon Notice. Either the Company or the Employee may terminate this Agreement at any time during the term by giving the other Party no less than thirty (30) days' prior written notice of the date of termination. Promptly after the Employee or the Company gives such notice, the Parties shall meet and in good faith confer regarding the Employee's work responsibilities during the remainder of the notice period; provided that the Company may determine in its sole discretion to not have the Employee continue his work responsibilities and the Employee shall promptly cease his work responsibility and vacate his office. During the remainder of the notice period (if so requested by the Company), Employee agrees to use best efforts to continue performing the duties assigned by the Company, and the Company agrees to continue compensating Employee until the termination date with the same pay and benefits as before the notice was given.

(c) For Cause. The Company may terminate this Agreement without any prior written notice to Employee if the termination is "for cause." For purposes of this Agreement "for cause" shall be defined as the willful and continued failure by Employee to perform the duties assigned by the Chief Executive Officer (or the Board of Directors if the Employee is Chief Executive Officer), failure to follow reasonable business-related directions from the Chief Executive Officer (or the Board of Directors if the Employee is Chief Executive Officer), gross insubordination, theft from the Company or its Affiliates, habitual absenteeism or tardiness, conviction or plea of a felony, or any other reckless or

willful misconduct that is contrary to the best interests of the Company or materially and adversely affects the reputation of the Company. If the Chief Executive Officer (or the Board of Directors if the Employee is Chief Executive Officer) believes that an event constituting “for cause” under this section has occurred and such event (i) is not a criminal offense and (ii) is readily curable by Employee, then the Chief Executive Officer (or the Board of Directors if the Employee is Chief Executive Officer) shall provide written notice to the Employee setting forth: (A) the Chief Executive Officer’s (or the Board of Directors’ if the Employee is Chief Executive Officer) intent to terminate the Employee’s employment for cause, and (B) the reasons for the Chief Executive Officer’s (or the Board of Directors’ if the Employee is Chief Executive Officer) intent to terminate the Employee’s employment for cause. The Employee shall have ten (10) business days following the receipt of such notice to cure the alleged breach. The Chief Executive Officer (or the Board of Directors if the Employee is Chief Executive Officer) may terminate this Agreement without any further notice to Employee if such cure has not occurred within such ten (10) business day period. In the event that the Company contends that the event is not readily curable by Employee, the Chief Executive Officer (or the Board of Directors if the Employee is Chief Executive Officer) shall provide written notice to Employee setting forth: (X) the reasons for the Chief Executive Officer’s (or the Board of Directors’ if the Employee is Chief Executive Officer) intent to terminate Employee’s employment “for cause” and (Y) the basis for the Chief Executive Officer’s (or the Board of Directors’ if the Employee is Chief Executive Officer) determination that such event is not readily curable.

(d) For Good Reason. The Employee may terminate this Agreement without any prior written notice to the Company if the termination is “for good reason.” For purposes of this Agreement “for good reason” shall be defined as (i) the material breach by the Company of this Agreement; (ii) the Company’s relocation of the office where Employee performs his duties by twenty-five (25) or more miles; (iii) assignment to the Employee of any duties, authority or responsibilities that are materially inconsistent with the Employee’s position, authority, duties or responsibilities, or any other Company action that results in the material diminution in such position, authorities, duties or responsibilities; (iv) substantial change in organizational reporting relationships as compared to the Effective Date that will materially impact Employee’s title, status, position, authority, duties or responsibilities reporting requirements; and (v) any other purported termination of the Employee other than under the terms of this Agreement; provided, that the occurrence of any event described in this sentence may only constitute termination “for good reason” if (a) the Employee gives the Company written notice of his intention to terminate his employment “for good reason” and, in reasonable detail, of the event constituting grounds for such termination within sixty (60) days of the occurrence of such event, and (b) the relevant circumstances or conditions are not remedied by the Company within thirty (30) days after receipt by the Company of such written notice from the Employee.

(e) Severance Pay and Release. In the event that the Employee’s employment with the Company under this Agreement is terminated for reasons other than (x) upon notice from the Employee as provided in Paragraph 8(b), subject to Paragraph 8(f) or (y)

“for cause” as defined in Paragraph 8(c), the Company shall, conditioned upon the Employee’s compliance with this Agreement and upon the Employee’s execution of a fully effective and non-revocable general release in favor of the Company, its Board of Directors, Affiliates, and employees, in such form as reasonably approved by the Company and the Employee (the “Release”) within sixty (60) days of the Employee’s termination of employment, which Release shall be provided to the Employee within five (5) days of the Employee’s termination of employment, pay to the Employee: (i) twelve (12) months (or twenty-four (24) months if the Employee is Chief Executive Officer) of severance pay at the Employee’s then current base salary from the date of termination of the Employee’s employment (adjusted, if applicable, as described below to take into account the amount of disability insurance payments received by the Employee), in accordance with the Company’s normal payroll schedule and procedures and commencing on the first payroll date of the Company following the sixtieth (60th) day of the Employee’s termination of employment (the “First Payroll Date”), and subject to all applicable withholding (it being agreed that the sum of the after-tax value of these monthly payments and any income replacement benefits received from Company-provided disability insurance as described in Paragraph 8(a) shall not exceed the after-tax value of the Employee’s then-current base salary). The portion of the severance pay that would have been paid to the Employee during the period between the Employee’s termination of employment and the First Payroll Date had no sixty-day delay been required shall be paid to the Employee on the First Payroll Date and thereafter the remaining portion of the severance pay shall be paid without delay as provided in clause (i) above of this Paragraph 8(c); (ii) an amount equal to the annual bonus, if any, earned based on actual performance by the Employee for the prior fiscal year, if it has not previously been paid by the Company payable in a single lump sum payment at the time provided for under the bonus plan (but without regard to any requirement that the Employee be employed on the bonus payment date) or if later, on the First Payroll Date; (iii) the pro rata portion of the annual bonus, if any, earned based on actual performance by the Employee for the then-current fiscal year, payable in the calendar year in which the then-current fiscal year ends, but in no event later than one hundred twenty (120) days after the end of such fiscal year and no earlier than the First Payroll Date, in accordance with the Company’s standard procedures for paying any such bonus to other employees under the bonus plan, except for any requirement that the Employee be employed on the bonus payment date, and subject to all applicable withholding; and (iv) monthly payments for a period of twelve (12) months following the Employee’s termination, payable in accordance with the Company’s normal payroll schedule and procedures and commencing on the First Payroll Date, and subject to all applicable withholding, that are equal to the monthly premium required by the Employee to maintain his health insurance benefits provided by the Company’s group health insurance plan, in accordance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) (it being understood that the portion of such payments described in clause (iv) that would have been paid to the Employee during the period between the Employee’s termination of employment and the First Payroll Date had no sixty-day delay been required shall be paid to the Employee on the First Payroll Date, and thereafter the remaining portion of such payments shall be paid without delay). In the event that this Agreement is terminated “for cause” pursuant to Paragraph 8(c), the

Company shall pay to the Employee only (A) that base salary which has been earned by the Employee through the date of termination payable in accordance with the Company's normal payroll practices and (B) unless the "for cause" termination results from the Employee's theft from the Company or its Affiliates, conviction or plea of a felony, or any other reckless or willful misconduct that materially and adversely affects the reputation of the Company, the annual bonus, if any, described in clause (ii) above of this Paragraph 8(e) and payable in accordance with clause (ii) above of this Paragraph 8(e), if it has not previously been paid by the Company. In the event that this Agreement is terminated upon notice from the Employee pursuant to Paragraph 8(b), the Company shall pay to the Employee only (1) that base salary which has been earned by the Employee through the date of termination payable in accordance with the Company's normal payroll practices and (2) the annual bonus, if any, described in Paragraph 8(e)(ii) above and payable in accordance with Paragraph 8(e)(ii). Notwithstanding any provision to the contrary in this Agreement, no amount shall be paid pursuant to this Paragraph 8(e) unless the Employee's termination of employment constitutes of "separation from service" (as such term is defined in Treas. Reg. Section 1.409-1(h), including the default presumptions). The Employee agrees to return to the Company any payments received pursuant to this Paragraph 8 in the event that Employee does not fully comply (after written notice and opportunity to cure as provided in Paragraph 7(j) above) with all post-employment obligations set out in this Agreement, including, but not limited to, the restrictive covenants and the restrictions on disclosure of the Confidential Information of the Company Group set forth in Paragraph 7.

(f) Severance Pay and Release Upon Termination by the Employee Upon Notice. Notwithstanding anything to the contrary contained herein, if the Employee's employment with the Company is terminated upon notice from the Employee as provided in Paragraph 8(b) (including, without limitation, resignation by the Employee), the Company may at its sole option elect to: (i) provide any payments and other severance benefits set forth in Paragraph 8(e) to the Employee; provided that if the Employee is at any time not in full compliance with the Employee's obligations set forth in Paragraph 7, the Employee shall forfeit any and all payments and other severance benefits set forth in Paragraph 8(e); and provided further that, if the Employee is provided payments or other severance benefits described in Paragraph 8(e), the Employee shall execute a Release, or (ii) not provide any payments and other severance benefits set forth in Paragraph 8(e) to the Employee (and, for the avoidance of doubt, the Employee shall continue to be bound by all of the terms of Paragraph 7).

9. Section 409A

(a) If any payment, compensation or other benefit provided to the Employee in connection with his employment termination is determined, in whole or in part, to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") and the Employee is a specified employee as defined in Section 409A(a)(2)(B)(i), then no portion of such "nonqualified deferred compensation" shall be paid before the earlier of (i) the day that is

six (6) months plus one (1) day after the date of termination or (ii) five (5) days following the Employee's death (the "New Payment Date"). The aggregate of any payments that otherwise would have been paid to the Employee during the period between the date of termination and the New Payment Date shall be paid to the Employee in a lump sum on such New Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Employee that would not be required to be delayed if the premiums therefor were paid by the Employee, the Employee shall pay the full cost of premiums for such welfare benefits during the six-month period and the Company shall pay the Employee an amount equal to the amount of such premiums paid by the Employee during such six-month period promptly after its conclusion.

(b) The Parties hereto acknowledge and agree that the interpretation of Section 409A and its application to the terms of this Agreement is uncertain and may be subject to change as additional guidance and interpretations become available. Anything to the contrary herein notwithstanding, all benefits or payments provided by the Company to the Employee that would be deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A are intended to comply with Section 409A. If, however, any such benefit or payment is deemed to not comply with Section 409A, the Company and the Employee agree to renegotiate in good faith any such benefit or payment (including, without limitation, as to the timing of any severance payments payable hereof) so that either (i) Section 409A will not apply or (ii) compliance with Section 409A will be achieved. Notwithstanding the foregoing, the Company makes no guarantee of any federal, state or local tax consequences with respect to the interpretation of Section 409A and its application to the terms of this Agreement, and the Company shall have no liability for any adverse tax consequences of the Employee, as a result of any violation of Section 409A.

(c) Notwithstanding anything to the contrary contained in this Agreement, all reimbursements for costs and expenses under this Agreement shall be paid in no event later than the end of the taxable year following the taxable year in which the Employee incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year, provided, however, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code of 1986, as amended, solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(d) If under this Agreement, an amount is paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

(e) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" as defined in Treas. Reg. Section 1.409A-1(h), including the default presumptions, and for purposes of any such provision of this Agreement, references to a "resignation," "termination," "terminate," "termination of employment" or like terms shall mean separation from service.

10. **Confidential Arbitration.** The Employee and the Company hereby agree that any controversy or claim arising out of or relating to this Agreement, including the arbitrability of any controversy or claim, which cannot be settled by mutual agreement will be finally settled by confidential and binding arbitration in accordance with the Federal Arbitration Act. Further, notwithstanding the preceding sentence, in the event disputes arise that relate in any way to and concern this Agreement and also relate in any way to and concern one or more other Equity Agreements, the Parties agree that such disputes may be joined in a single binding arbitration if doing so would not result in unreasonable delay. All arbitrations shall be administered by a panel of three neutral arbitrators (the "Panel") admitted to practice law in Texas for at least ten (10) years, in accordance with the American Arbitration Association Rules. Any such arbitration proceeding shall be administered by the American Arbitration Association and all hearings shall take place in Dallas County, Texas. The arbitration proceeding and all related documents will be confidential, unless disclosure is required by law. The Panel will have the authority to award the same remedies, damages, and costs that a court could award, including but not limited to the right to award injunctive relief in accordance with the other provisions of this Agreement. Further, the Parties specifically agree that, in the interest of minimizing expenses and promoting early resolution of claims, the filing of dispositive motions shall be permitted and that prompt resolution of such motions by the Panel shall be encouraged. The Panel shall issue a written reasoned award explaining the decision, the reasons for the decision, and any damages awarded. The Panel's decision will be final and binding. The judgment on the award rendered by the Panel may be entered in any court having jurisdiction thereof. This provision can be enforced under the Federal Arbitration Act. The Panel shall be permitted to award only those remedies in law or equity that are requested by the Parties, appropriate for the claims and supported by evidence, and each Party shall be required to bear its or his own arbitration costs, attorneys' fees and expenses.

(a) The decision of the arbitrator on the points in dispute will be final, unappealable and binding, and judgment on the award may be entered in any court having jurisdiction thereof. The Parties agree that this provision has been adopted by the Parties to rapidly and inexpensively resolve any disputes between them and that this provision will be grounds for dismissal of any court action commenced by any Party with respect to this Agreement, other than post-arbitration actions seeking to enforce an arbitration award.

(b) The Parties will keep confidential, and will not disclose to any person, except as may be required by law, the existence of any controversy under this Paragraph 10, the referral of any such controversy to arbitration or the status or resolution thereof. In addition, the confidentiality restrictions set forth in this Agreement shall continue in full force and effect.

(c) As the sole exception to the exclusive and binding nature of the arbitration commitment set forth above, the Parties agree that the Company Group may resort to Texas state courts having equity jurisdiction in and for Dallas County, Texas and the United States District Court for the Northern District of Texas, Dallas Division, at its sole option, to request temporary, preliminary, and/or permanent injunctive or other equitable relief, including, without limitation, specific performance, to enforce the post-employment restrictions and other non-solicitation and confidentiality obligations set forth in this Agreement, without the necessity of proving inadequacy of legal remedies or irreparable harm or posting bond or giving notice, to the maximum extent permitted by law. However, nothing in this Paragraph 10 should be construed to constitute a waiver of the Parties' rights and obligations to arbitrate as set forth in this Paragraph 10.

(d) IN THE EVENT THAT ANY COURT OF COMPETENT JURISDICTION OR ARBITRATOR DETERMINES THAT THE SCOPE OF THE ARBITRATION OR RELATED PROVISIONS OF THIS AGREEMENT ARE TOO BROAD TO BE ENFORCED AS WRITTEN, THE PARTIES INTEND THAT THE COURT REFORM THE PROVISION IN QUESTION TO SUCH NARROWER SCOPE AS IT DETERMINES TO BE REASONABLE AND ENFORCEABLE. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTY HERETO THAT THIS PARAGRAPH 10(d) CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH IT OR HE IS RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT.

BEFORE ACCEPTING THE TERMS OF THIS AGREEMENT, INCLUDING THE RESTRICTIVE COVENANT TERMS, PLEASE READ AND UNDERSTAND YOUR CONTINUING OBLIGATIONS TO THE COMPANY AND ITS AFFILIATES.

11. **Indemnification.** The Company shall indemnify Employee to the fullest extent permitted by Section 145 of the Delaware General Corporation Law against all costs, expenses, liabilities and losses, including but not limited to, attorneys fees, judgments, fines, penalties, taxes and amounts paid in settlement, reasonably incurred by Employee in conjunction with any action, suit, or proceeding, whether civil, criminal, administrative, or investigative in nature, which the Employee is made or threatened to be made a party or witness by reason of his position as officer, employee or agent of the Company or otherwise due to his association with the Company or due to his position or association with any other entity, at the request of the Company. The Company shall advance to Employee all reasonable costs and expenses incurred in connection with such action within twenty (20) days after receipt by the Company of Employee's written request. The Company shall be entitled to be reimbursed by Employee and Employee agrees to reimburse the Company if

it is determined that Employee is not entitled to be indemnified with respect to an action, suit, or proceeding under applicable law. The Company shall not settle any such claim in any manner which would impose liability, including monetary penalties or censure, on the Employee without his prior written consent, unless the Employee would be harmed by such action.

12. **Governing Law; Submission to Jurisdiction; Jury Waiver.** THIS AGREEMENT SHALL BE EXCLUSIVELY GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICTS OF LAW DOCTRINE. THE VENUE FOR ANY ENFORCEMENT OF THE ARBITRATION AWARD SHALL BE EXCLUSIVELY IN THE COURTS IN DALLAS, TEXAS, AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION. THE PARTIES WAIVE ANY RIGHT TO A JURY TRIAL.

13. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable, or void, in whole or in part, then the Parties will be relieved of all obligations arising under such provision, but only to the extent it is illegal, unenforceable, or void. The Parties intend that this Agreement will be deemed amended by modifying any such illegal, unenforceable, or void provision to the extent necessary to make it legal and enforceable while preserving its intent, or if such is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives. Notwithstanding the foregoing, if the remainder of this Agreement will not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected will be enforced to the extent permitted by law.

14. **Waiver.** No delay or omission by any Party to this Agreement to exercise any right or power under this Agreement will impair such right or power or be construed as a waiver thereof. A waiver by any of the Parties to this Agreement of any of the covenants to be performed by the other or any breach thereof will not be construed to be a waiver of any succeeding breach thereof or of any other covenant contained in this Agreement. All remedies provided for in this Agreement will be cumulative and in addition to and not in lieu of any other remedies available to any Party at law, in equity or otherwise.

15. **Notices.** Any notices, consents, demands, requests, approvals and other communications to be given under this Agreement by any Party to the other shall be deemed to have been duly given if given in writing and personally delivered or sent by mail (registered or certified) or by a recognized "next-day delivery service" to the address set forth below a Party's signature, with a courtesy copy provided to the Company's General Counsel.

16. **Entire Agreement.** This Agreement represents the entire agreement relating to employment between the Company and Employee and supersedes all previous oral and written and all contemporaneous oral negotiations or commitments, writings and other understandings which, at the Effective Date, shall be deemed to be terminated and of no

further force or effect. No prior or subsequent promises, representation, or understandings relative to any terms or conditions of employment are to be considered as part of this Agreement or as binding.

17. **Amendment.** This Agreement may be amended or modified only in a writing signed by the Parties hereto.

18. **Guarantee of Payment and Performance.** D&B agrees to guarantee in all respects the payment and performance obligations of D&B Management set forth in this Agreement.

19. **Recoupment Policy.** The Company may recover amounts paid to Employee hereunder or under any other plan or program of, or agreement or arrangement with, the Company, and any gain in respect of any equity awards granted to Employee, in accordance with any applicable Company clawback or recoupment policy that is generally applicable to the Company's other senior executives, as such policy may be amended and in effect from time to time, or as otherwise required by applicable law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Securities Exchange Act of 1934, as amended.

20. **Section 280G.** Notwithstanding anything to the contrary in this Agreement, if Employee is a "disqualified individual" (as defined in Section 280G(c) of the Internal Revenue Code of 1986, as amended (the "Code")), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Employee has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Employee from the Company and its affiliates will be one dollar (\$1.00) less than three times Employee's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Employee shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Employee (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by a nationally recognized accounting firm or other professional organization that is a certified public accounting firm recognized as an expert in determinations and calculations for purposes of Section 280G of the Code selected by the Company prior to the change in control (the "Accounting Firm"). All reasonable fees and expenses of the Accounting Firm shall be borne solely by

the Company. Nothing in this Paragraph 20 shall require the Company to be responsible for, or have any liability or obligation with respect to, Employee's excise tax liabilities under Section 4999 of the Code, if any.

21. **Withholding**. The Company shall be entitled to withhold from any amounts to be paid or benefits provided to the Employee hereunder any federal, state, local, or foreign withholding or other taxes or charges which it is from time to time required to withhold. The Company shall be entitled to rely on an opinion of counsel or tax preparer if any question as to the amount or requirement of any such withholding shall arise.

22. **Acknowledgment**. By signing below, as a material inducement to the Company entering into this Agreement, Employee unconditionally represents and warrants that: (a) Employee has been advised to consult with an attorney regarding the terms of this Agreement; (b) Employee has consulted with, or has had sufficient opportunity to consult with Employee's own counsel or other advisors regarding the terms of this Agreement; (c) Employee has relied solely on Employee's own judgment and that of Employee's attorneys, advisors, and representatives regarding the consideration for, and the terms of, this Agreement; (d) any and all questions regarding the terms of this Agreement have been asked and answered to Employee's complete satisfaction; (e) Employee has read this Agreement and fully understand its terms and their import; and (f) Employee is entering into this Agreement voluntarily, of Employee's own free will, and without any duress, coercion, fraudulent inducement, or undue influence exerted by or on behalf of any other Party or any other person or entity.

23. **Counterparts**. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the Effective Date.

COMPANY:

DAVE & BUSTER'S MANAGEMENT CORPORATION, INC.

By: _____
Name: _____
Title: _____

Address: 1221 S. Belt Line Rd, #500
Coppell, TX 75019

DAVE & BUSTER'S ENTERTAINMENT, INC.

By: _____
Name: _____
Title: _____

Address: 1221 S. Belt Line Rd, #500
Coppell, TX 75019

[COMPANY SIGNATURE PAGE TO EMPLOYMENT AGREEMENT]

EMPLOYEE:

Name: _____

Address: _____

[EMPLOYEE SIGNATURE PAGE TO EMPLOYMENT AGREEMENT]

Appendix A
Competitive Businesses

The following non-exhaustive list of businesses or brands shall each be considered a “Competitive Business” as defined in the Employment Agreement, by and among Dave & Buster’s Management Corporation, Inc., Dave & Buster’s Entertainment, Inc. and _____ (the “Employment Agreement”), along with (a) the entities that operate or own such businesses or brands, (b) the successors of such businesses or brands and (c) the respective parent or ultimate parent companies or affiliates of such businesses or brands, if the employee works for or provides consulting services to such businesses or brands.

- Andretti Karting & Games
- Barcade
- Big Al’s
- Big Shots Golf
- Boomers Parks
- Bowlmor / Bowlero / AMF
- Buffalo Wild Wings
- Chuck E. Cheese/Peter Piper Pizza
- Cinergy Entertainment Group
- Drive Shack
- EVO Entertainment
- Fox & Hound Sports Tavern
- Gameworks
- John’s Incredible Pizza
- K1 Speed
- Kings Bowling
- Live! Brand by the Cordish Companies
- Lucky Strike Entertainment
- Main Event Entertainment
- Pinstack
- Pinstripes
- Punch Bowl Social
- Puttshack
- Puttery
- The Rec Room
- Round One Entertainment
- Scene 75 Entertainment Centers
- Top Golf/Top Golf International

CERTIFICATION

I, Kevin M. Sheehan, Interim Chief Executive Officer of Dave & Buster's Entertainment, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dave & Buster's Entertainment, 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 first fiscal quarter 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 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: June 7, 2022

/s/ Kevin M. Sheehan

Kevin M. Sheehan
Interim Chief Executive Officer

CERTIFICATION

I, Michael A. Quartieri, Chief Financial Officer of Dave & Buster's Entertainment, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dave & Buster's Entertainment, 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 first fiscal quarter 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 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: June 7, 2022

/s/ Michael A. Quartieri

Michael A. Quartieri
Chief Financial Officer

CERTIFICATION

In connection with the Quarterly Report of Dave & Buster's Entertainment, Inc. (the "Company") on Form 10-Q for the period ended May 1, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin M. Sheehan, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the applicable requirements of Section 13(a) or 15(d), as applicable, 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 results of operations of the Company.

Date: June 7, 2022

/s/ Kevin M. Sheehan

Kevin M. Sheehan

Interim Chief Executive Officer

CERTIFICATION

In connection with the Quarterly Report of Dave & Buster's Entertainment, Inc. (the "Company") on Form 10-Q for the period ended May 1, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael A. Quartieri, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the applicable requirements of Section 13(a) or 15(d), as applicable, 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 results of operations of the Company.

Date: June 7, 2022

/s/ Michael A. Quartieri

Michael A. Quartieri
Chief Financial Officer