



Merlin Entertainments, SOGEP A, SFPI and SORESIC sign a "Head of Terms" to continue their collaboration on the opening of a LEGOLAND® Resort on the former Caterpillar industrial site in Charleroi

Press release

Brussels, August 30th 2022

Leading attraction operator Merlin Entertainments Group, SOGEP A, SFPI and SORESIC have signed Heads of Terms - a non-binding memorandum of understanding - aimed at deepening their collaboration for the opening of a LEGOLAND® Resort on the former Caterpillar industrial site in Charleroi targeted for 2027. Through this agreement, Merlin Entertainments, SOGEP A and SFPI confirm their willingness to work together on this valuable and exciting project for Wallonia.

Initiated in 2019 the study for the opening of a LEGOLAND® Resort in Charleroi is progressing and has just hit a new milestone. On August 30th 2022, the project stakeholders - Merlin Entertainments Group, SOGEP A, SFPI and SORESIC - signed a first partnership agreement. This document sets out the main guidelines for future collaboration on this major project.

Led by Merlin Entertainments, the European leader in attractions and theme park sector (and the second largest in the world), the project to build and open a LEGOLAND® Resort in Charleroi not only holds the promise of regenerating the former Caterpillar site with a strong and globally recognised brand such as LEGOLAND® but with Merlin's expertise and successful track record in developing similar complexes. Creating over 1,000 jobs from the very first day of operation, the project would also strengthen the wider tourism ecosystem of continental Europe at large and of Wallonia in particular.

Merlin Entertainments Group's COO for LEGOLAND Resorts Group, John Jakobsen comments; "This is another exciting 'building block' laid for bringing a potential LEGOLAND Resort to the many LEGO Fans across Wallonia, Benelux and Northern France. We will continue

to work closely with the Walloon Government and the City of Charleroi and our stakeholder partners at SOGEPA, SFPI and SORESIC to hopefully make this vision an awesome reality."

Elio DI RUPO, Minister-President of Wallonia: *"I am pleased in more than one way that Wallonia can welcome this investment. First of all, it allows us to turn the page on the disaster that was the closure of Caterpillar. Suffering is now giving way to hope, and new employment prospects are being offered to the workers of our Region. It also demonstrates that Charleroi, like the Walloon Region, is resilient and looking to the future and to recovery. The Government, through its ambitious Recovery Plan, intends to reinforce this dynamic."*

Willy BORSUS, Walloon Minister of the Economy : *"With the project to establish a Legoland in Charleroi, we are taking a new step in a strong and constantly developing sector: that of leisure and tourism. The Walloon leisure ecosystem is already well developed and this project will strengthen it in the best possible way, as Lego is a strong brand that is appreciated by the majority of people. It is therefore an opportunity to be seized for Wallonia, both for employment, the visibility of our Region and the economy as a whole. The Legoland project will also make it possible to achieve a major objective of the Government: to rehabilitate our industrial wastelands. The former Caterpillar site provides a concrete response to the needs of the Merlin group, while at the same time meeting those of the Charleroi basin and, more broadly, of Wallonia, with the creation of around 1,000 jobs that cannot be relocated and certainly more because of the additional indirect jobs that would be created."*

Sébastien DURIEUX, Chairman of the SOGEPA Management Committee: *"SOGEPA has always sought an ambitious, structuring and job-creating project for the former Caterpillar site. Since the closure of the site, we have always worked in this direction, leaving the door open to numerous possibilities, sometimes of a very different nature, because it is from openness that opportunities are born. In this context, the project led by the Merlin Group is very solid and has high added value for the region in the long term. Their project meets our ambitions in terms of employment, but also in terms of strengthening the leisure and tourism value chain in Wallonia. The investment to be made is certainly substantial and if it materialises, it would be the second largest of the last 10 years in our region, after Google. But it is from this investment that a positive and long-term economic activity will be born. The prospect of setting up a LEGOLAND® Resort is therefore our priority and we will continue to work closely with the Merlin group and all the other players involved in this project in the coming weeks and months."*

LEGOLAND®, the expansion of a strong brand

With three LEGOLAND® Resorts in Europe, the Merlin Entertainments Group has been looking to expand its presence in Europe for several years and in particular in the BENELUX/Northern France region, which has been identified as a viable market for a fourth European LEGOLAND® Resort. The highly successful LEGOLAND® Resort Deutschland, located in southern Germany, was the last European LEGOLAND® Resort to open over 20 years ago.

The technical and market studies carried out showed the potential of a location on the former Caterpillar industrial site, situated in the centre of a densely populated area and close to major transport facilities: motorway junctions, a well-developed rail network and a well-served

airport. The strong appeal of LEGOLAND® Resorts leaves the prospect of a potential 21 million visitors located within a two-hour drive. A LEGOLAND® Resort will typically attract in the range of 1.5-2m visitors per year. With the strong market base supporting this site we believe this can also be obtained for LEGOLAND® Resort in Charleroi.

The park and its infrastructure will initially cover an area of 70 ha, which means that a land reserve of 20 ha will be set aside for future extensions or developments.

This could be the second largest investment of the last 10 years in Wallonia

The first few months of this year have been used to work actively on three aspects with a view to making a final decision by the end of 2022: the detailed technical master plan and, in particular, the costing of the investment to be made, the structuring of the project and the setting out of the key principles of the collaboration through a Head of Terms.

Approved on 29 August by the Boards of Directors of SOGEPa, SPFI and SORESIC, the LEGOLAND® Resort project in Charleroi is based on an estimated investment of between 370 and 400 million euros, which would make it the second largest investment of the last 10 years in the Walloon Region after Google in Mons. In concrete terms, the investment will be shared between the Merlin Group, SOGEPa, SFPI and a number of banking partners, with a share for Wallonia of around 100 million euros net depending on the budgetary analysis currently underway.

In the current hyperinflationary context, the investment cost must be further studied in the coming weeks and months in order to remain acceptable to each of the stakeholders. The Head of Terms also provides for an exit option for each of the stakeholders in case the costs explode. This explains why a final decision on the LEGOLAND® Resort project in Charleroi is expected by the end of 2022, with a park opening targeted for 2027.

The signed Head of Terms also specifies the structure of the project. Under the agreed plan, SORESIC, the current owner of the land, will be responsible for transforming the site to allow the construction of the park. Transformation means deconstruction and soil remediation operations. The collaboration scheme also provides for the Merlin Entertainments Group to be in charge of managing the operations of the theme park on a site that will be acquired by a joint venture between the Group, SOGEPa and SFPI.

The project for the construction of a LEGOLAND® Resort in Charleroi is therefore firmly anchored, especially since, as far as the technical master plan is concerned, there are no contraindications to the various implementation scenarios. This economic project is ambitious and its completion would generate significant positive spin-offs. Among the benefits of its implementation, we should mention:

- The strengthening of the LEGOLAND® Resorts ecosystem;
- The creation of a significant number of jobs as soon as it opens;
- The rehabilitation of a large industrial wasteland associated with a sustainable logic implemented by the Merlin Group (greening, sustainability of the materials used for the construction and a green energy production);

- The structuring impact on the economy of Charleroi and its region is also naturally irrefutable with, among other things, the mobilisation of Belgian service providers from the construction phase onwards and, for the operationalisation, the promotion of "Made in Belgium" products within the park as well as a strong visibility of the territory;
- The LEGOLAND® Resort project will also strengthen the existing tourist offer in Wallonia and Belgium. It will enable the regional and national tourist offer to be massified and made more attractive with a view to attracting visitors from further afield who are typically more inclined to stay a few days in Belgium;
- Finally, by its nature, the project to open a LEGOLAND® Resort in Charleroi also carries little risk of relocation.

Key figures of the LEGOLAND® Resort Belgium project:

14th LEGOLAND® Resort in the world (currently 10 now and 3 opening in China)

Estimated investment: €370-400 million

Jobs created: Over 1,000 jobs from the opening

Rehabilitated area: 90+ ha of which 70 ha directly operated

Location: immediate proximity to a catchment area of 21 million potential visitors

For more information

Merlin Entertainments

Chloe Couchman

+44 (0)7885 827836

chloe.couchman@merlinentertainments.biz

Cabinet of the Walloon Minister for the Economy, Willy Borsus

Pauline Biévez

+32 477 38 45 01

pauline.bievez@gov.wallonie.be

SOGEPA

David Leclercq

+32 476 54 57 30

david.leclercq@sogepa.be

SORESIC

Marie Minet

+32 (0) 479 88 84 75

marie.minet@igretec.be