



MOTION JVCO LIMITED
HALF YEAR REVIEW TO JUNE 2023

HALF YEAR REVIEW

Overview

Merlin Entertainments has experienced continued growth in revenue and Adjusted EBITDA for the first half of 2023, supported by the continuing recovery in international tourism and our Asia Pacific divisions, together with robust demand across the estate.

Our Midway Attractions Operating Group delivered strong growth versus the comparative period in 2022, with the ongoing recovery in international tourism driving growth in gateway city clusters, most notably London, and a recovery in our Asia Pacific division.

The LEGOLAND Resorts Operating Group continued its growth trajectory, underpinned by positive trading in the Europe and Asia Pacific divisions. The North American resorts had a more challenging start to the year with extended periods of wet and cold weather in California.

The Resort Theme Parks Operating Group has built on a strong 2022 trading result with further revenue growth in the first half of 2023, led by our resorts in Italy and Germany which have both started the season well.

Reflecting the continued recovery in international tourism, current trading remains positive, albeit we are seeing a normalisation of consumer demand in certain markets.

With no material COVID-19 related attraction closures remaining, our operational footprint has now largely returned to pre-pandemic levels.

Strategic developments

Attraction openings

We completed on the transaction to take over the operations of Cadbury World in the UK in late 2022. The attraction was closed routinely in early January and re-opened as planned later in that month.

In August we opened a second attraction with the new 'next generation' LEGO Discovery Centre format, at Springfield Town Center in Washington D.C.

Other strategic developments

We have now completed the programme to outsource the food and beverage operations at our UK and US theme parks. During 2022 our UK theme parks all transitioned to having food and beverage services provided by our partner Aramark. The LEGOLAND resorts in California and Florida transitioned successfully in Q1 2023.

In May 2023 Chessington World of Adventures Resort launched a new themed land, 'World of Jumanji'. Both this investment and last year's dark ride launched at Gardaland Resort have been developed under our multi-territory exclusivity agreement with Sony Pictures Entertainment to develop and operate attractions, rides, lands, retail outlets and themed hotel rooms based on the studio's 'Jumanji' film franchise.

In February we announced a partnership with Ferrari to develop immersive themed brand experiences, initially at two LEGOLAND resorts, with the potential for further expansion in the future. The collaboration builds on Merlin's successful relationship with Ferrari, which includes the 'LEGO Ferrari Build and Race' attraction that opened at LEGOLAND California in May 2022.

We have announced plans to open two further Peppa Pig theme parks in 2024, building on the successful launch of the format in Florida in 2022. One will be a standalone park in Dallas-Fort Worth, Texas. The other, our first in Europe, will open at the LEGOLAND Deutschland Resort.

We are developing the UK's first operationally carbon neutral LEGO themed holiday village at LEGOLAND Windsor Resort, which we announced in March. Set to open in spring 2024, the LEGOLAND Woodland Village will feature 150 lodges, an on-site restaurant, and a family entertainment hub.

We continue to work with partners on the development of three LEGOLAND resorts in China, planned to open from summer 2025. All three resorts will be operated under management contracts.

Debt refinancing

In May and June the Group extended the maturities on a portion of the Group's senior secured debt:

- Repaid €500 million of senior secured notes due to mature in 2025.
- Issued €700 million of senior secured notes to mature in 2030.
- €821 million of drawn facilities due to mature in 2026 were extended to 2029.
- The excess proceeds of the notes, less fees for the transactions, were used to repay €63 million and \$108 million of drawn facilities due to mature in 2026.