

Ardent Leisure Group Limited (ACN 628 881 603)

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ASX RELEASE

25 July 2023

Response to Letter to Ardent Shareholders

Ardent Leisure Group (ASX: ALG) notes a letter sent to some shareholders by David and Charles Kingston of K Capital commenting on the Group's Theme Parks & Attractions business and shareholder value.

Ardent's share register records K Capital Pty Ltd (and entities understood to be associated with it) as currently holding 2,032,000 shares in aggregate (including an increase in shareholding in the past month) representing 0.4236% of shares outstanding.

Ardent also references its FY23 preliminary unaudited results update provided on 10 July 2023 outlining the continuing progress of its Theme Parks & Attractions business.

The recovery of the Theme Parks & Attractions business is well underway with continued year-on-year growth in visitation and revenue despite the very significant challenges to the business since the tragedy at Dreamworld in October 2016 including:

- Historical underinvestment in Dreamworld prior to the tragedy in October 2016;
- The negative impact of the publicity relating to the tragedy, both initially and in particular arising from the Coronial Inquest beginning in June 2018 and through the period of the Coroner's Report delivered in February 2020;
- The numerous legal claims arising from the tragedy and the Coroner's Report;
- The material impact of the COVID pandemic on financial viability, operations and visitation across FY20 to FY22;
- The ongoing post pandemic disruption to travel patterns, particularly those relating to international visitation;
- Ongoing changes to the regulatory environment relating to the theme park industry in Queensland; and
- The current macroeconomic headwinds impacting consumer discretionary spending.

While these challenges have meant the recovery has taken longer, and capital costs and operating losses have been greater than anticipated, substantial progress has been made over recent years including:

- Debt-free balance sheet with cash balances of approximately \$141 million as at 27 June 2023;
- Investment to date of \$69 million to add key attractions including Sky Voyager and Steel Taipan;

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- Both Dreamworld and Whitewater World were the first theme parks to be issued with Major Amusement Park Licences in Queensland last year under the State's new safety licensing regime;
 - Announced pipeline of new rides and attractions totalling \$50-60 million to be delivered over the next two years;
 - Reinvigorated management team delivering a differentiated and compelling guest experience while focused on costs;
 - Working with Government stakeholders towards obtaining a Preliminary Development Approval of the entire Dreamworld site owned by Ardent; and
 - Reviewing options for capital management initiatives for remaining surplus cash.

The Group will provide further updates on the business at the release of FY23 results on Friday, 25 August 2023.

Authorised for release by the Board of Ardent Leisure Group Limited

Chris Todd
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