



Corporate Banking

Project Kingsway

ABN AMRO - Indicative valuation report

24 May 2024





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1 Executive summary



Executive summary

General Background

- **“The London Tunnels PLC” (“Kingsway” or the “Company”)** is intending to become a publicly listed company through a Direct Listing on the Amsterdam Stock Exchange (“the Listing”)
 - As part of the services to be rendered under the Engagement Letter between the Company and ABN AMRO N.V., is the provision of an independent, private, valuation (“**Valuation Report**”) for the Company, based on financial and business assumptions provided by the Company
 - The contents of this document constitutes this Valuation Report
 - The Company may choose to share this report with Euronext Amsterdam for the purposes of reference price setting for the Listing. A non-reliance letter will be required to be executed prior to sharing the Valuation Report
 - Apart from Euronext Amsterdam and the purpose above, this Valuation Report is not to be made public and not to be used for purposes other than stated above

Background to the valuation exercise conducted by the ABN AMRO Corporate Finance department

- The valuation conducted calculates an indicative Enterprise Value (EV) and a share price range
- ABN AMRO has based its valuation on a combination of public information and internal information received from Kingsway
- In connection with the valuation, ABN AMRO has calculated the indicative stand-alone value of the Company on the basis of several valuation methods mentioned in this report, applying market data as per close of business on 17 May 2024
- ABN AMRO has assumed and relied on, without independent verification, the truthfulness, accuracy and completeness of the information, forecasts, data and financial terms provided to us by Kingsway management and employees
- Due to the time gap between the effective valuation date (31st of March 2024) and the Listing, the actual valuation at Listing may differ from the presented indicative valuation
- The indicative valuation is conditional upon Kingsway receiving all necessary building permits and other regulatory approvals

Indicative valuation range

- Based on the DCF valuation analysis conducted, an indicative valuation range of **GBP 2.09 – 2.42** per share was reached (GBP 133m – 155m Enterprise Value). The following valuation methodologies were considered for this valuation exercise:
 - **(i) Discounted Cash Flow (“DCF”) method** - (the main basis for the assessment of Kingsway’s intrinsic value. The indicative range has been determined as a result of a sensitivity analysis of the WACC (midpoint 10.8%; +/- 0.25%)
 - **(ii) Comparable Company Analysis (“CCA”)** - (back-up valuation method to benchmark the DCF valuation with current trading of selected comparable companies)
 - **(iii) Comparable Transactions Analysis (“CTA”)** - (analysed but excluded due to lack of recent and relevant transactions)
 - The effective valuation date for the Valuation Report is 31st of March 2024



We have assessed Kingsway's intrinsic value through a DCF valuation. CCA and CTA serving as back-up to benchmark the indicative valuation

Method	Description	Key assumptions
Discounted Cash Flow Analysis ("DCF")	<ul style="list-style-type: none"> Valuation based on forecasted future cash flows Operating model has been developed based on management inputs Cash flows have been discounted based on the weighted average cost of capital (WACC) Caveats: <ul style="list-style-type: none"> Sensitive to business plan forecasts and underlying assumptions Cost of Equity is difficult to assess due to limited true peers 	<ul style="list-style-type: none"> Key growth drivers and cash flow assumptions based on management guidelines 10-year explicit forecast period (on a quarterly basis), long-term forecast of 40 years 2% long-term growth for Terminal Value period WACC for terminal value: 10.8% <ul style="list-style-type: none"> Sensitivity analysis: +/- 0.25%
Comparable Company Analysis ("CCA")	<ul style="list-style-type: none"> Valuation based on listed peers. Peer group determined based on a number of financial and non-financial benchmarks Caveats: <ul style="list-style-type: none"> Lack of listed companies that are fully comparable to Kingsway: <ul style="list-style-type: none"> A Given the combination and nature of the Kingsway' business activities, no fully comparable listed peers have been found. The most relevant listed companies are US based with predominantly US-focused operations B All listed companies display considerable size/brand/operational differences compared to Kingsway as they are large, have established brands and are usually more diversified C Analyst forecasts for peers (i.e. EBITDA) are (predominantly) available only up until 2026, when Kingsway is still in development phase and not having reached steady-state yet 	<ul style="list-style-type: none"> A ABN AMRO analysed 5 categories of (global)¹⁾ potential peer groups: <ol style="list-style-type: none"> Amusement parks & Recreational Destinations; Bars & Pubs; Catering; Live Entertainment and Eventing; Digital entertainment B Valuation is based on 2030 EBITDA and has been discounted (by the WACC) to the effective valuation date. Intermediate cash flows have been added / (subtracted) from this value to arrive at the current Enterprise Value
Comparable Transaction Analysis ("CTA")	<ul style="list-style-type: none"> Valuation based on similar historic transactions with similar characteristics (sector, geography, business model etc.) Caveats: <ul style="list-style-type: none"> Multiples are impacted by deal specific dynamics: <ul style="list-style-type: none"> Transaction type (i.e. auction vs exclusive process) Number of bidders Financial vs strategic bidder (includes strategic premium) Potential synergies taken into account For transactions involving a majority/controlling stake, a control premium is typically priced in Most recent transaction is almost 5 years ago due to highly uncertain and volatile environment during pandemic years (and immediately thereafter) 	<ul style="list-style-type: none"> ABN AMRO analysis based only on most comparable precedent transactions. Inclusion criteria (targets) are as follows: <ul style="list-style-type: none"> Sector: Amusement parks/Recreational Destinations and other similar entertainment operations Geography: Europe Deal size: > EUR 50m, excluding deals with undisclosed deal size/EBITDA multiples A minority discount of 33%²⁾ has been included for transaction involving a majority stake Valuation is based on 2030 EBITDA and has been discounted (by the WACC) to the effective valuation date analogous to the approach of the CCA (item B above)

1) Global peers have been selected, as there were no European listed peers available in the main peer group "Amusement Parks & Recreational Destinations"

2) ABN AMRO analysis based on empirical research and independent historical studies



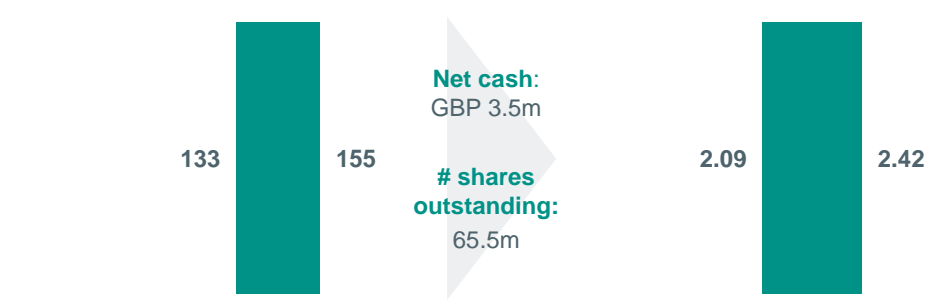
Our valuation results in an indicative EV range of GBP 133m – 155m and implies a share price range of GBP 2.09 – 2.42 (based on DCF)

Valuation methodologies

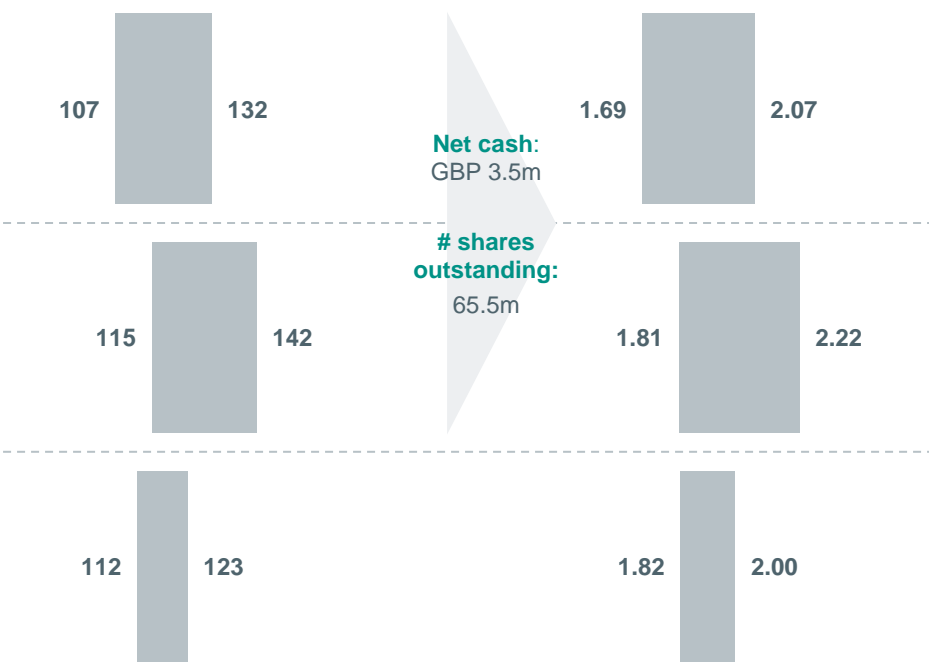
Indicative valuation	DCF	<p>WACC: 10.8%</p> <p>Long-term growth rate: 2.0%</p> <p>WACC calculations detailed on page 14 with selected peers used for calculating beta.</p> <p>Terminal growth rate in line with industry estimates</p>	<p>Sensitivity analysis: WACC +/- 0.25%</p>
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Enterprise Value range (GBPm)

Share Price Range (GBP)



Valuation benchmarks	CCA	<p>Amusement Parks & Recreational Destinations</p> <p>EV / EBITDA 2026: 7.1x</p> <p>Multiple has been applied on 2030 (steady-state) EBITDA. Resulting EV and intermediate cash flows have been discounted at the WACC</p>	+/-10% range
	CTA	<p>Amusement Parks & Recreational Destinations</p> <p>EV / LTM EBITDA: 9.0x¹⁾</p> <p>Multiple has been applied on 2030 (steady-state) EBITDA. Resulting EV and intermediate cash flows have been discounted at the WACC</p>	+/-10% range
	Prior valuations	<p>Valuations of previous funding rounds</p> <p>~GBP 6.0m Convertible Bond at a GBP 112m valuation (GBP 1.82 per share)</p> <p>~GBP 5.1m Debt / Equity Exchange valuation of GBP 123m</p> <p>~GBP 16.0m Letters of Intent at a valuation of GBP 123m</p>	Range of lower and higher valuation round



1) Comparable transactions involving a majority stake have been adjusted to account for a 33% Minority Discount

2 Business plan assumptions - DCF



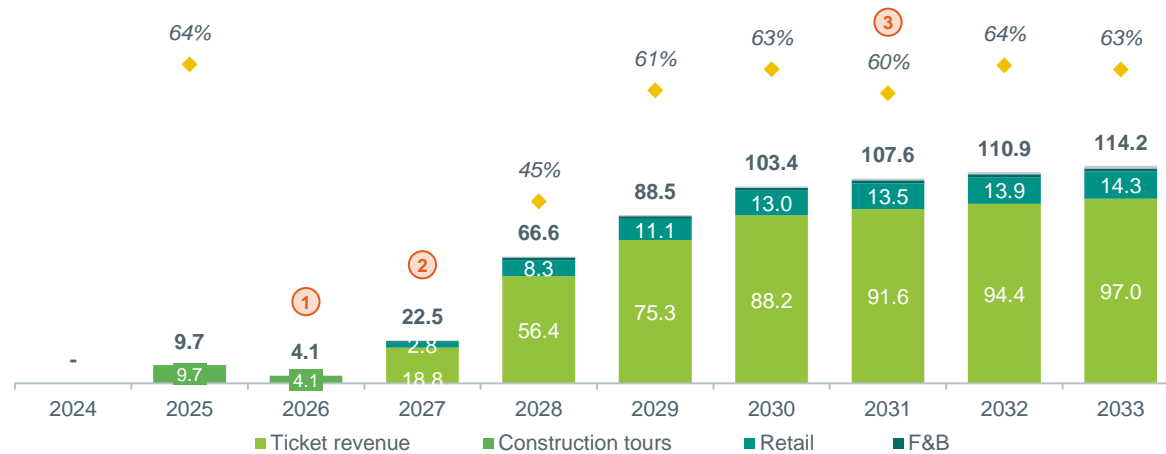
Overview of key financials based on management assumptions

- Operating assumptions as per management estimates, obtained through various shared materials including but not limited to:
- Company forecasts
- Relevant articles and websites
- Calls with management
- Email exchanges

Operating assumptions have not been independently validated or verified by ABN AMRO

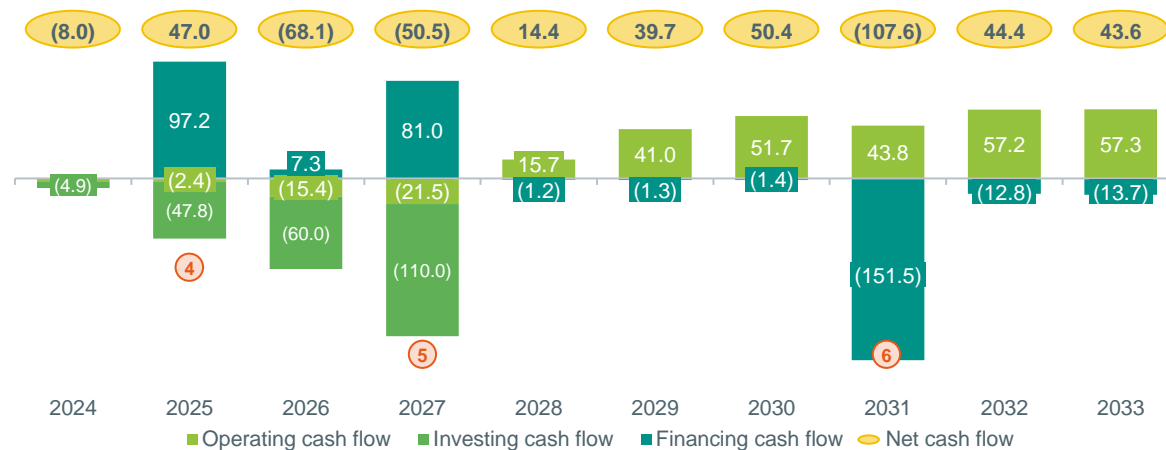
Where relevant ABN AMRO has used standard industry forecasts for tourist numbers for London as indicated by the Company

Revenue (GBPm) and EBITDA margin¹⁾



- ① Construction tours revenue declines in 2026 as increased construction activities allows for less visitors in the tunnels
- ② Opening of the tunnels assumed in Q3 2027. Therefore, only one quarter of ticket revenue in 2027 and no revenue from Construction tours as the tunnels can't be opened to the public during the last stages of construction
- ③ Lower EBITDA margin driven by increased exhibition expenses (a refresh is assumed every 3 years)

Net cash flow (GBPm)



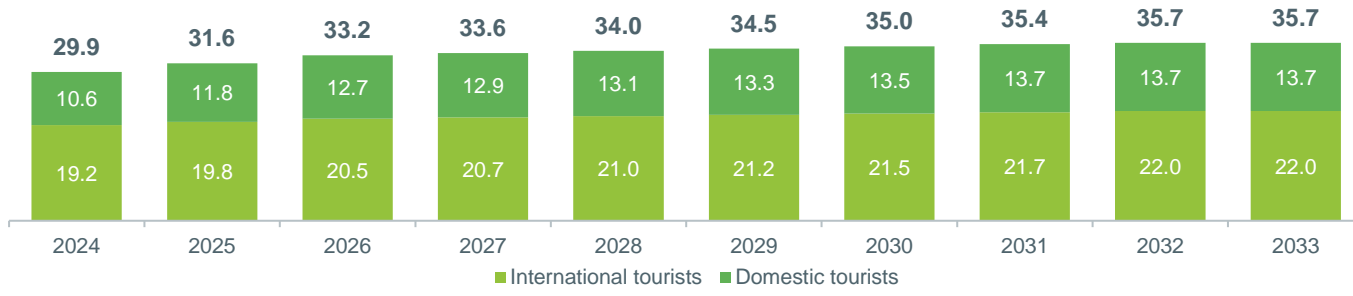
- ④ Construction Capex is assumed to be financed (partially) by a GBP 150m zero-coupon bond issued in Jan-25
- ⑤ Capex for audiovisual hardware (GBP 80m) is assumed to be financed through a financial lease
- ⑥ Zero-coupon bond is to be repaid at the end of 2031 (7-year maturity)

1) 2026 and 2027 EBITDA margins have not been shown due to a negative EBITDA in these years



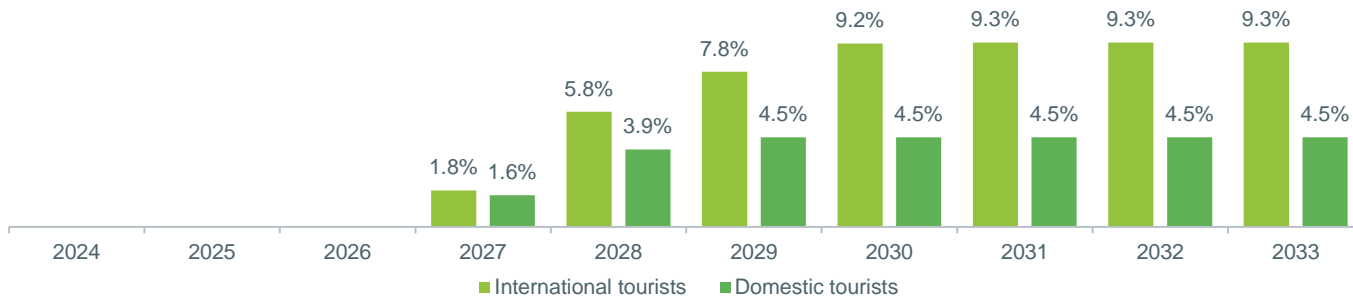
Overview of key assumptions (1/4)

Tourists in London (m)



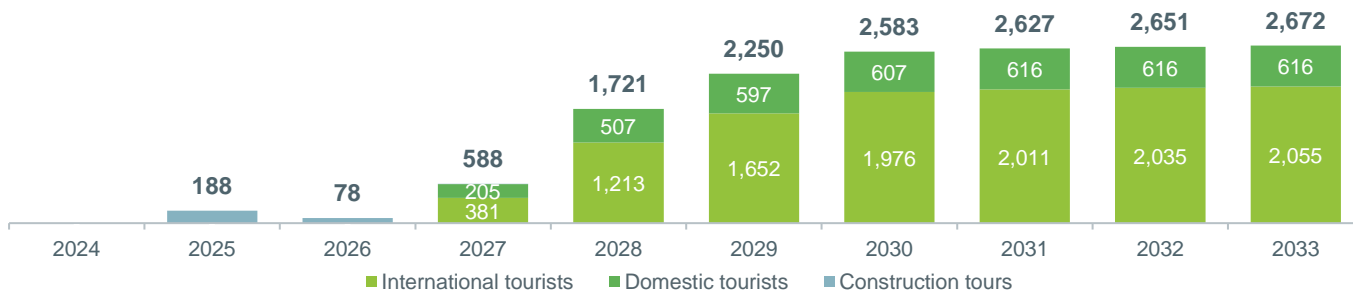
- London tourism forecast as per GLA Economics (Dec-22)
- Model uses quarterly data. Seasonality pattern as per GLA Economics is used in forecast
- For outer years (2032 – 2033) where GLA Economics does not provide data, 1% annual growth is assumed

Average flow share (%)



- Flow share is used to estimate the % of tourists in London who visit Kingsway in a certain period
- Flow shares have been modelled on a quarterly basis. Shown flow shares represent annual averages
- Opening of the tunnels assumed in Q3 2027
- Flow share is assumed to have a run-up period in the two years following opening

Number of visitors (000s)



- During construction, construction tours are organised
- Number of visitors in outer years remains well under the maximum functional capacity of 3 million per annum



Overview of key assumptions (2/4)

Tickets

Regular ticket price

Tunnel visit (GBP) ¹⁾	27.5
Construction tour (GBP) ¹⁾	50

Discounts

Share of tickets at discount	5%
% discount	100%

Skip-the-line premium

Share of tickets with premium	25%
Premium (GBP) ¹⁾	10

Premium package: cocktail & bar

Share of tickets with premium	10%
Premium (GBP) ¹⁾	12.5

Ticket COGS

Payment processing, etc.	1%
Premium package (% of premium package revenue)	30%

- All GBP prices shown above are net of VAT
- Premium package: cocktail & bar provides access to the bar and a cocktail. Associated gross margin assumed to be equal to F&B margin (of 70%)
- 5% of tickets are assumed to be given away for free for some groups (veterans, schools, etc.)
- Premia only partly offset by discounts provided. Average ticket price in FY27 of GBP 32.1

Retail

Revenue assumptions

% of visitors in store	35%
Avg. spend / customer (GBP) ¹⁾	12.6

Retail COGS

As % of retail revenue	45%
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- All GBP prices shown above are net of VAT
- Retail gross margin as per management estimates

Food & Beverages

Revenue assumptions

Maximum capacity (guests)	160
Hours opened per day	6
Days opened per week	5
Average occupancy rate	50% ²⁾

Average spend per guest per hour (GBP) ¹⁾	10.0
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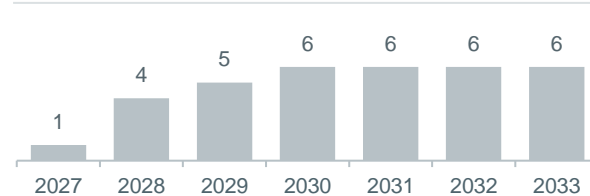
F&B COGS

As % of F&B revenue	30%
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- All GBP prices shown above are net of VAT
- F&B gross margin as per management estimates
- Represents bar opening at night (outside of the regular opening hours of the tunnels)

Functions revenue

Events per annum



Average fee per event (GBP) ¹⁾	25
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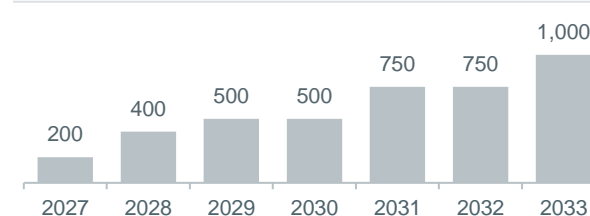
Functions COGS

As % of functions revenue	15.2%
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- All GBP prices shown above are net of VAT
- Gross margin as per management estimates

Sponsorship revenue

Revenue per annum (GBPk, excl. inflation)



- No COGS assumed for sponsorship revenue

1) In Jan-'24 prices (excl. inflation)

2) In the first 12 months after opening (in Q3 2027) average occupancy rate of 40% is assumed



Overview of key assumptions (3/4)

SG&A (excl. inflation)

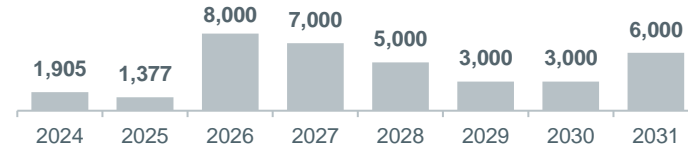
Operator fees

Management fee p.a. (GBPk) ¹	4,000
Revenue share (above hurdle)	30%

- Hurdle for revenue share assumed to be GBP 25m, 65m, 85m, 100m, 105m, and 110m for 2027, 2028, 2029, 2030, 2031, and 2032-2033 respectively

Exhibition

Exhibition expenses (in GBPk, excl. inflation):

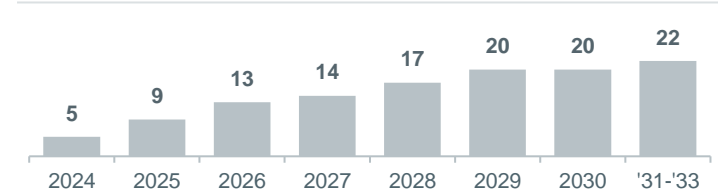


- Post 2031, a GBP 6m expense is assumed every 3 years. In the other years GBP 3m of costs are assumed

Personnel expenses

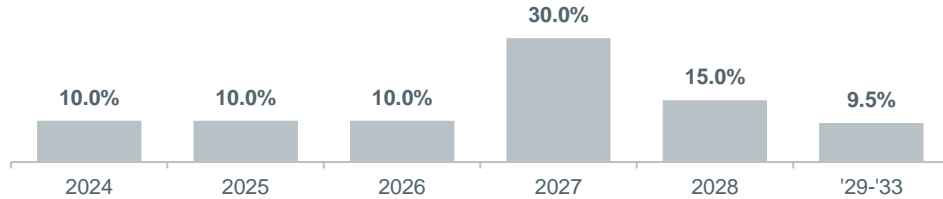
Costs per FTE p.a. (in GBPk) 100

Number of FTE:



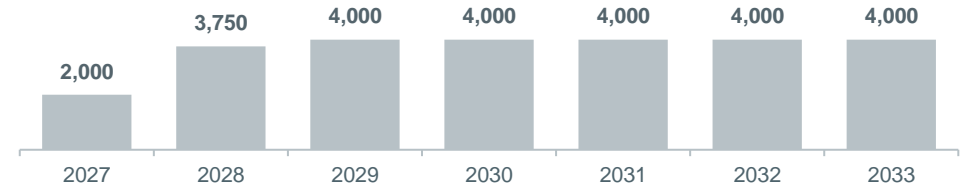
Marketing

Marketing expenses as a % of NTM revenue



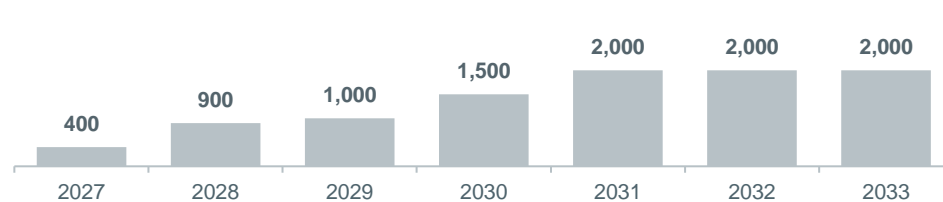
Property expenses – rent, rates & utilities

Property expenses – rent, rates & utilities (in GBPk, excl. inflation):



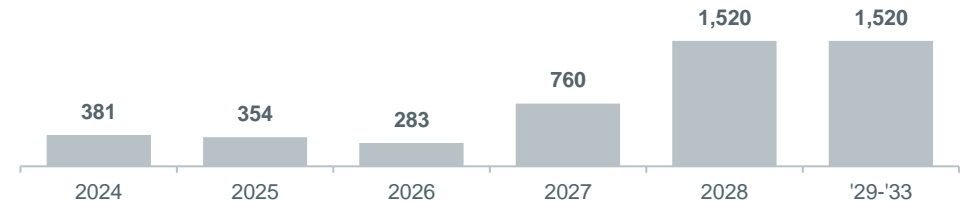
Repairs & maintenance

Repairs & maintenance expenses (in GBPk, excl. inflation):



Other Opex

Other Opex (in GBPk, excl. inflation)²:

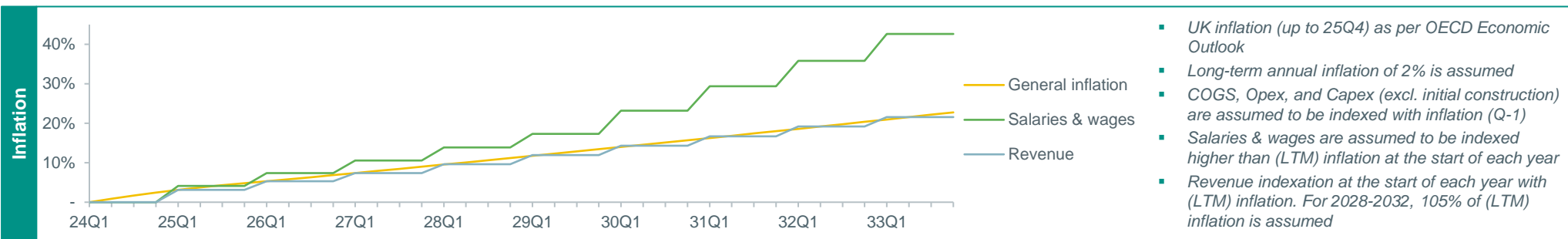


1) In Jan-'24 prices (excl. inflation)

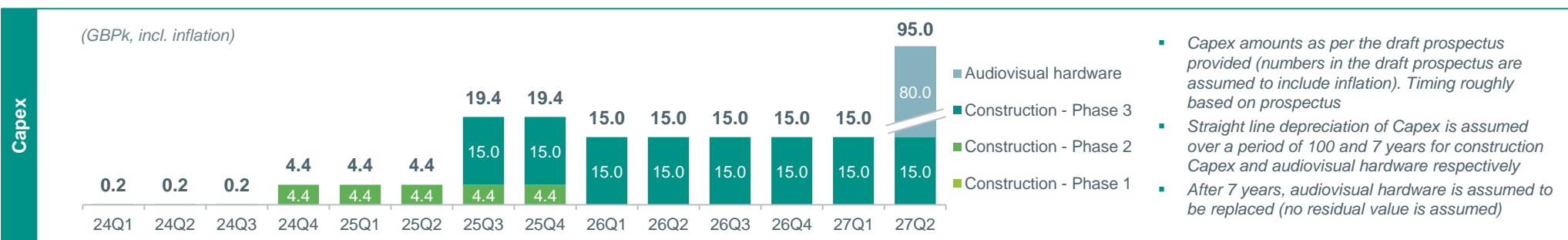
2) Includes: operating supplies, sundry costs, and professional fees



Overview of key assumptions (4/4)



- UK inflation (up to 25Q4) as per OECD Economic Outlook
- Long-term annual inflation of 2% is assumed
- COGS, Opex, and Capex (excl. initial construction) are assumed to be indexed with inflation (Q-1)
- Salaries & wages are assumed to be indexed higher than (LTM) inflation at the start of each year
- Revenue indexation at the start of each year with (LTM) inflation. For 2028-2032, 105% of (LTM) inflation is assumed



- Capex amounts as per the draft prospectus provided (numbers in the draft prospectus are assumed to include inflation). Timing roughly based on prospectus
- Straight line depreciation of Capex is assumed over a period of 100 and 7 years for construction Capex and audiovisual hardware respectively
- After 7 years, audiovisual hardware is assumed to be replaced (no residual value is assumed)

NWC	
Days sales outstanding	
Ticket revenue (days)	(5)
Construction tours (days)	(30)
Functions revenue (days)	30
Days payable outstanding	
COGS / Opex (days)	30
Capex (days)	-

Taxes	
Tax rate	
Corporate income tax	25%
Tax deductibility of interest	
Maximum % of EBITDA	30%
De-minimus interest deductible (GBPk)	2,000
<ul style="list-style-type: none"> For non-deductible interest, an unlimited tax carry forward is assumed 	

Financing	
Lease financing of audiovisual hardware	
Assumed discount rate	7.3%
Lease tenor (years)	7
Zero coupon bond – Jan-'25	
Nominal value (GBPm)	150.0
Effective interest rate	7.0%
Maturity (years)	7
Issuance fees (GBPm)	1.0



DCF valuation of the business plan results in a share price of GBP 2.25

Discounted cash flow model: valuation as per March 31st, 2024¹⁾

(in GBPm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
EBITDA	(3.4)	6.2	(7.0)	(10.1)	30.1	53.5	65.6	64.7	70.9	72.4	70.1	75.3	76.8	74.4	79.9	81.5	79.0
- D&A	(0.0)	(0.3)	(0.9)	(10.0)	(12.9)	(12.9)	(12.9)	(12.9)	(12.9)	(12.9)	(14.1)	(14.6)	(14.6)	(14.6)	(14.6)	(14.6)	(14.6)
EBIT	(0.0)	(0.3)	(0.9)	(9.4)	(11.1)	(10.6)	(10.3)	(10.2)	(10.2)	(10.2)	(11.5)	(11.9)	(11.9)	(11.9)	(11.9)	(11.9)	(11.9)
- Taxes	0.9	(1.5)	2.0	5.0	(4.3)	(10.2)	(13.2)	(13.0)	(14.5)	(14.9)	(14.0)	(15.2)	(15.6)	(15.0)	(16.3)	(16.7)	(16.1)
NOPLAT	0.8	(1.8)	1.1	(4.4)	(15.4)	(20.8)	(23.5)	(23.2)	(24.7)	(25.1)	(25.5)	(27.1)	(27.5)	(26.8)	(28.2)	(28.6)	(28.0)
+ D&A	0.0	0.3	0.9	10.0	12.9	12.9	12.9	12.9	12.9	12.9	14.1	14.6	14.6	14.6	14.6	14.6	14.6
- Change in DTA: NOL	(1.2)	(2.0)	(3.8)	(8.0)	0.9	6.8	7.3	-	-	-	-	-	-	-	-	-	-
- Change in NWC	0.3	0.6	0.1	3.0	0.0	0.1	0.3	0.3	(0.3)	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
- CAPEX	(4.9)	(47.8)	(60.0)	(110.0)	-	-	-	-	-	-	(91.9)	-	-	-	-	-	-
Unlevered free cash flow	(5.0)	(50.6)	(61.7)	(109.4)	(1.6)	(1.0)	(3.0)	(10.0)	(12.2)	(11.8)	(102.8)	(12.1)	(12.5)	(11.8)	(13.2)	(13.6)	(13.0)
PV of FCF	(7.2)	(38.4)	(54.4)	(87.5)	17.2	29.2	31.6	24.7	24.0	22.4	(12.8)	19.0	17.5	15.3	14.8	13.6	12.0

Terminal value (Dec-'73)	1,406.8
PV of terminal value	8.6
Sum of FCF	135.4
Enterprise value	144.0
Net (debt) / cash day 1	3.5
Equity value	147.5
Shares outstanding (mln)	65.5
Price per share (GBP)	2.25

Sensitivities⁵⁾

Ticket price	WACC						
	10.1%	10.3%	10.6%	10.8%	11.1%	11.3%	11.6%
24.5	2.10	1.93	1.77	1.62	1.49	1.36	1.23
25.5	2.35	2.17	2.00	1.85	1.70	1.57	1.44
26.5	2.60	2.41	2.24	2.07	1.92	1.77	1.64
27.5	2.80	2.61	2.42	2.25	2.09	1.94	1.80
28.5	2.97	2.77	2.58	2.41	2.24	2.08	1.94
29.5	3.14	2.94	2.74	2.56	2.39	2.23	2.07
30.5	3.31	3.10	2.90	2.71	2.53	2.37	2.21

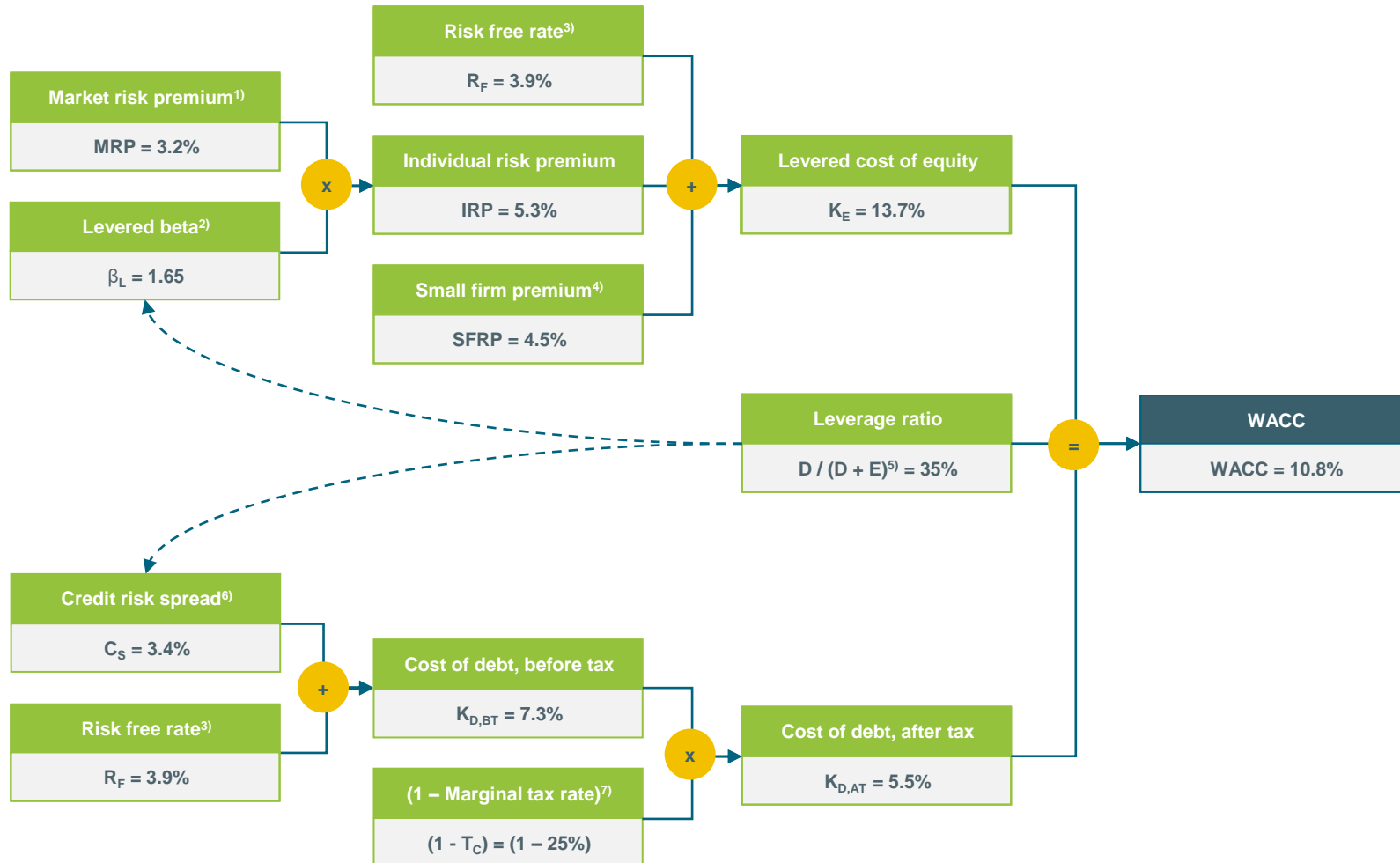
Key assumptions	
Valuation date	31-03-'24
Shares outstanding (000s)	65,477
Explicit forecast (years)	10
Long-term forecast (years) ²⁾	40
Long-term growth rate	2.0%
Risk free rate	3.9%
Small firm premium	4.5%
Pre-tax cost of debt	7.3%
Cost of equity (levered)	13.7%
Leverage ratio (D / (D+E)) ³⁾	35.0%
WACC ⁴⁾	10.8%

- 1) Valuation is based on quarterly cash flows. For the output, these have been summed up to provide an annual overview
- 2) Extrapolates explicit forecast with long-term growth rate. Accounts for replacement of audiovisual hardware, 3-year cycles in exhibition expenses, and depreciation
- 3) Target leverage based on average leverage of peer group
- 4) Refer to page 14 for a breakdown of the WACC
- 5) Please find an expanded overview of sensitivities in Appendix C

Peer group used for beta



WACC calculations



1) As per Damodaran

2) As per Factset

3) Based on 10-year UK treasury bonds (as per Factset)

4) Based on Ibbotson academic study

5) Target leverage based on average leverage of peer group

6) Based on B corporate credit rating

7) Based on UK statutory corporate tax rate of 25%

Source: Damodaran, Factset, ABN AMRO analysis

3 Comparable Company Analysis



Several peer groups have been identified. “Amusement Parks & Recreational Destinations” are most appropriate for valuation purposes

Examples of other peers considered but excluded

No analyst forecasts available



Different business/financial model



Private companies



Value driver	Selected peers	Relevance
Market growth potential (revenue growth)	<p><i>Used in our Comparable Companies Analysis – Amusement Parks & Recreational Destinations</i></p> <p>Amusement parks & Recreational Destinations</p>	
Market position	<p>Bars & Pubs</p>	
Business model (operating margins etc.)	<p>Catering</p>	
Industry specific differentiators	<p>Live entertainment & Ticketing</p>	
Product offering	<p>Digital entertainment</p>	

= Low = High



“Amusement parks & Recreational Destinations” peers are currently a 7.1x EV/ 2026 EBITDA multiple

Caveats CCA

- Peers are all US based and with US focused activities

- Six Flags and Cedar Fair in process of merger, (potentially) impacting share prices

Due to these caveats, the CCA valuation method is not included in the Indicative Valuation range

		Amusement parks & Recreational Destinations	Bars & Pubs	Catering	Live entertainment & Ticketing	Digital entertainment
EV/ Sales	'25E	1.1x	0.8x	2.9x	1.6x	2.0x
	'26E	1.0x	0.9x	2.9x	1.5x	2.0x
EV/ EBITDA	'25E	7.3x	7.9x	7.5x	9.7x	7.1x
	'26E	7.1x	7.3x	7.1x	9.0x	6.8x
EV/ EBIT	'25E	7.5x	8.8x	7.8x	10.5x	6.7x
	'26E	7.3x	8.2x	7.4x	9.6x	6.5x
Sales CAGR	'19A-'23A	3.0%	2.5%	2.5%	13.6%	0.8%
	'23A-'25E	4.0%	7.6%	3.3%	7.8%	4.0%
EBITDA %	'24E	12.2%	6.6%	33.4%	16.1%	13.9%
ROIC	'24E	4.0%	12.4%	16.8%	11.0%	10.6%

1) Walt Disney has been excluded for valuation purposes due to the significant impact of its other business segments (i.e. streaming etc.) on valuation and operating metrics
 Source: FactSet as per 17 May 2024

3 Comparable Transaction Analysis



The Comparable Transactions Analysis (“CTA”) results in a median 9.0x EBITDA

Announced date	Target	Brief description	Bidder	Stake ¹⁾	EV (EURm)	EV / Sales ²⁾	EV / EBITDA ²⁾	EV / EBIT ²⁾
Sep '19	Cine Alpes	Movie theatres operators	Les Cinemas Gaumont	100%	100	n.a.	6.1x	n.a.
Jun '19	Merlin Entertainments	Operator and developer of visitor attractions and theme parks	Kirkbi - Blackstone	77%	6,646	2.4x	8.1x	17.2x
May '19	Eddie Rockers	Operator hotels and parks	THG	100%	58	2.9x	10.3x	12.6x
Apr '19	Parques Reunidos	Operator of amusement centres, zoos, nature parks and aquariums	EQT (Consortium)	71%	1,721	2.0x	6.6x	n.a.
Mar '19	M. Mulle	Operator of a leisure park	Compagnie des Alpes	100%	73	2.5x	7.1x	n.a.
Oct '18	National Exhibition	Provider of exhibition halls and conference suites	Blackstone Inc	100%	908	3.3x	10.4x	12.4x
Apr '17	Parques Reunidos	Operator of amusement centres, zoos, nature parks and aquariums	GBL	10%	1,995	3.4x	10.6x	16.7x
Apr '17	Venues	Exhibition business	Consortium	100%	326	5.6x	9.8x	10.1x
Mar '17	Madrid Xanadu	Shopping mall and entertainment centre	Intu Properties	100%	697	14.2x	22.2x	51.3x
Average						2.8x	8.6x	13.8x
Median						2.7x	9.0x³⁾	12.6x

Key transaction criteria



Announcement date: 2017 - 2024



Geography: Europe



Deal value: > EUR 50m

Most recent comparable transactions occurred more than 5 years ago (pre-COVID). Therefore, the CTA has not been taken into account for the indicative valuation range

1) Based on Mergermarket data, calculated as Deal Value / Enterprise Value

2) Average and median calculation for the (i) revenue; (ii) EBITDA (iii) EBIT multiples excluding values (respectively) above: (i) 5.0x; (ii) 20.0x; (iii) 30.0x

3) Multiples of transactions involving a majority stake have been adjusted to account for a 33% Minority Discount (assuming there will be no investor acquiring a controlling stake in Kingsway). Discount is based on empirical research

Source: Mergermarket as per May 2024, ABN AMRO analysis

Appendices

A Financial statements overview (2024-2033)



Profit and loss statement

- Operating assumptions as per management estimates. Operating assumptions have not been validated

(in GBPk)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Ticket revenue incl. discounts and premia	-	-	-	18,783	56,378	75,258	88,208	91,615	94,394	97,021
Construction tours revenue	-	9,668	4,081	134	-	-	-	-	-	-
Retail revenue	-	-	-	2,770	8,313	11,096	13,006	13,508	13,918	14,305
F&B revenue	-	-	-	536	1,369	1,397	1,427	1,457	1,487	1,517
Functions revenue	-	-	-	27	110	140	171	175	179	182
Sponsorship revenue	-	-	-	215	439	560	572	875	894	1,216
Total revenue	-	9,668	4,081	22,465	66,608	88,451	103,384	107,630	110,872	114,241
Ticket COGS	-	(97)	(41)	(425)	(1,271)	(1,697)	(1,989)	(2,066)	(2,129)	(2,188)
Retail COGS	-	-	-	(1,246)	(3,741)	(4,993)	(5,852)	(6,078)	(6,263)	(6,437)
F&B COGS	-	-	-	(161)	(411)	(419)	(428)	(437)	(446)	(455)
Functions COGS	-	-	-	(4)	(17)	(21)	(26)	(27)	(27)	(28)
Other COGS	-	-	-	-	-	-	-	-	-	-
Gross profit	-	9,571	4,040	20,629	61,169	81,320	95,088	99,022	102,007	105,133
<i>% margin</i>	-	99.0%	99.0%	91.8%	91.8%	91.9%	92.0%	92.0%	92.0%	92.0%
Operator fees	-	-	-	(2,175)	(4,766)	(5,371)	(5,437)	(5,212)	(4,779)	(5,782)
Exhibition expenses	(1,929)	(1,433)	(8,487)	(7,575)	(5,519)	(3,378)	(3,445)	(7,028)	(3,584)	(3,656)
Personnel expenses	(450)	(885)	(1,342)	(1,548)	(1,936)	(2,346)	(2,464)	(2,846)	(2,988)	(3,137)
Marketing expenses	(628)	(689)	(885)	(16,015)	(12,042)	(9,362)	(10,085)	(10,413)	(10,729)	(10,985)
Property expenses	-	-	-	(2,171)	(4,141)	(4,503)	(4,593)	(4,685)	(4,779)	(4,875)
Repairs & maintenance expenses	-	-	-	(435)	(994)	(1,126)	(1,725)	(2,343)	(2,390)	(2,437)
Other Opex	(386)	(368)	(300)	(826)	(1,678)	(1,711)	(1,746)	(1,780)	(1,816)	(1,852)
EBITDA	(3,393)	6,197	(6,974)	(10,116)	30,093	53,523	65,593	64,716	70,943	72,408
<i>% margin</i>	-	64.1%	(170.9%)	(45.0%)	45.2%	60.5%	63.4%	60.1%	64.0%	63.4%
D&A	(15)	(273)	(902)	(9,961)	(12,856)	(12,856)	(12,856)	(12,856)	(12,856)	(12,856)
EBIT	(3,408)	5,924	(7,876)	(20,077)	17,237	40,667	52,738	51,860	58,087	59,552
<i>% margin</i>	-	61.3%	n.m.	n.m.	25.9%	46.0%	51.0%	48.2%	52.4%	52.1%



Cash flow statement

– Operating assumptions as per management estimates. Operating assumptions have not been validated

<i>(in GBPk)</i>	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
EBITDA	(3,393)	6,197	(6,974)	(10,116)	30,093	53,523	65,593	64,716	70,943	72,408
Change in deferred tax balance (net)	(1,202)	(3,435)	(5,083)	(10,512)	(146)	7,505	8,906	1,568	2,398	-
Taxes P&L	1,202	1,990	3,817	8,040	(941)	(6,816)	(9,852)	(9,653)	(14,043)	(14,642)
Δ NWC	319	590	148	3,046	41	128	320	335	(339)	413
Net interest	-	(7,781)	(7,290)	(11,982)	(13,373)	(13,300)	(13,223)	(13,141)	(1,805)	(871)
Operating cash flow	(3,074)	(2,439)	(15,381)	(21,524)	15,674	41,041	51,745	43,825	57,153	57,308
<i>Construction</i>	<i>(4,940)</i>	<i>(47,760)</i>	<i>(60,000)</i>	<i>(30,000)</i>	-	-	-	-	-	-
<i>Audiovisual hardware</i>	-	-	-	<i>(80,000)</i>	-	-	-	-	-	-
Total Capex	(4,940)	(47,760)	(60,000)	(110,000)	-	-	-	-	-	-
Investing cash flow	(4,940)	(47,760)	(60,000)	(110,000)	-	-	-	-	-	-
Proceeds from issuance of debt	-	97,194	7,290	87,836	8,424	9,056	9,735	10,465	-	-
(Repayment of debt)	-	-	-	(6,809)	(9,657)	(10,362)	(11,118)	(161,930)	(12,801)	(13,735)
Financing cash flow	-	97,194	7,290	81,027	(1,233)	(1,306)	(1,383)	(151,465)	(12,801)	(13,735)
Net cash flow	(8,014)	46,995	(68,092)	(50,496)	14,441	39,735	50,361	(107,639)	44,352	43,573

B Schematic model build-up

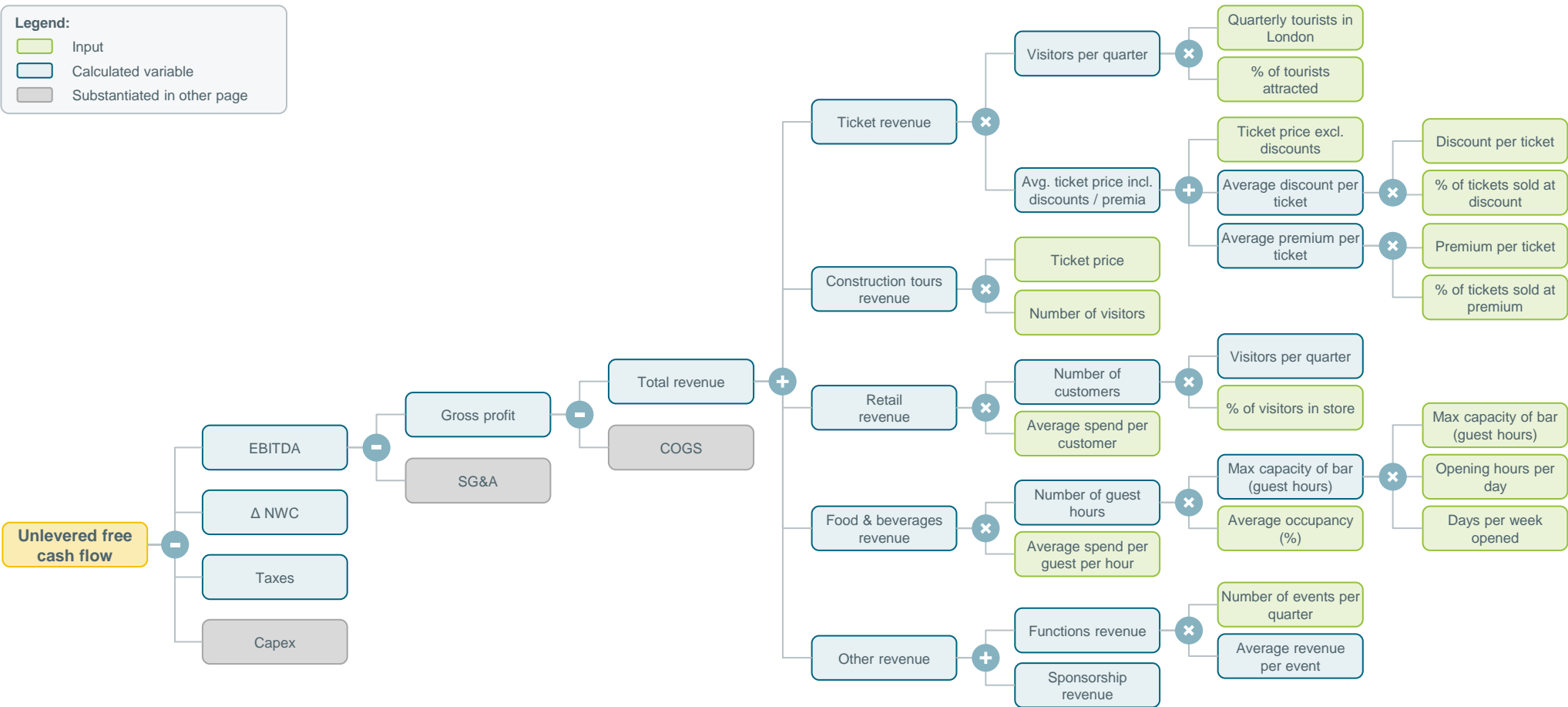


Overview of key drivers

Revenue

Please note that this overview shows a simplified build-up of the operating model

- Legend:**
- Input
 - Calculated variable
 - Substantiated in other page



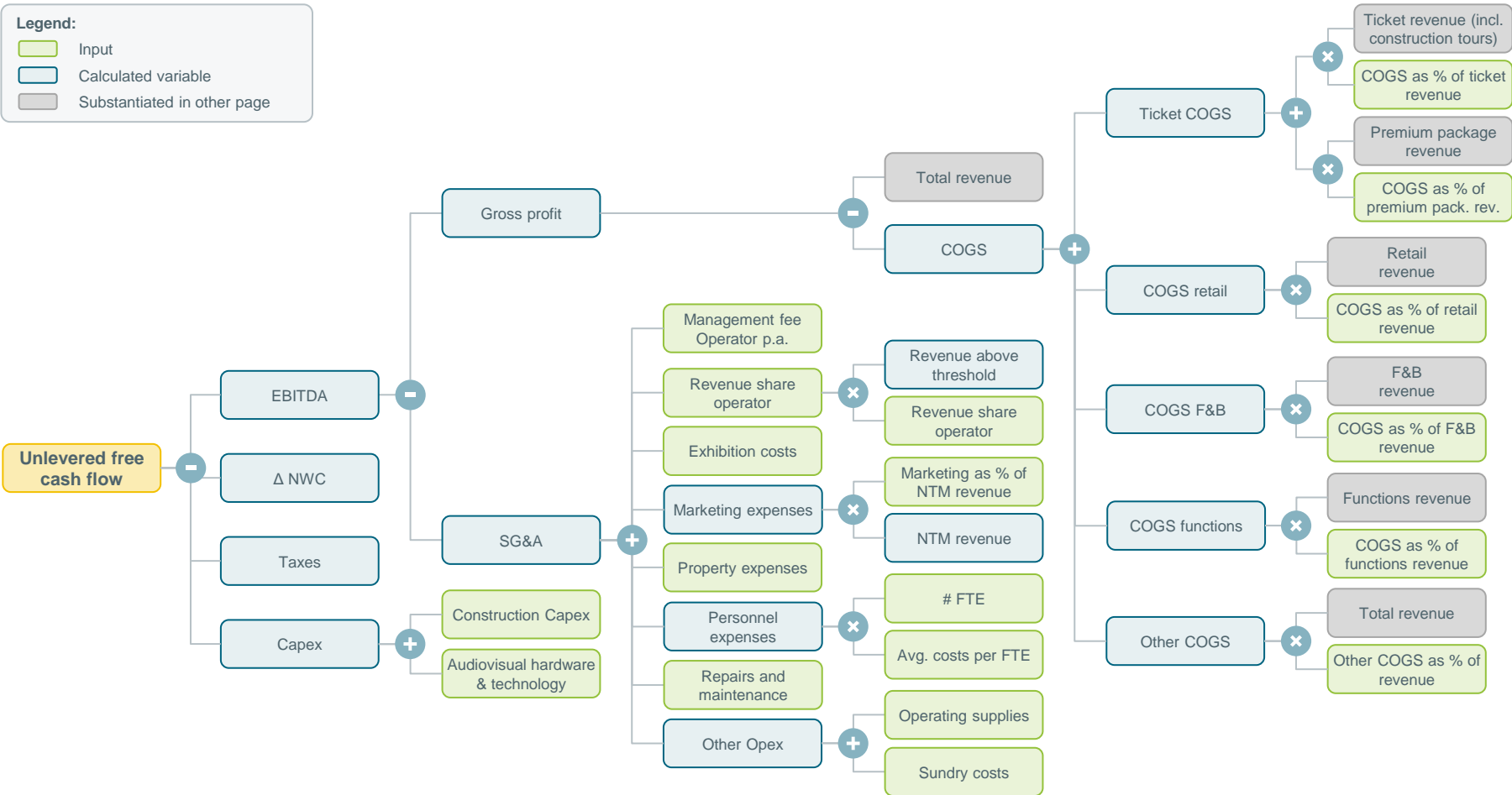


Overview of key drivers

COGS & SG&A

Please note that this overview shows a simplified build-up of the operating model

- Legend:**
- Input
 - Calculated variable
 - Substantiated in other page



C DCF *Sensitivities*



Expanded overview of DCF sensitivities

– Please note: the share prices shown are for reference purposes only and are not included in the indicative valuation range (except for the prices highlighted in yellow)

Implied share price (in GBP) at various levels of WACC and ticket prices

Ticket price	WACC																
	8.82%	9.07%	9.32%	9.57%	9.82%	10.07%	10.32%	10.57%	10.82%	11.07%	11.32%	11.57%	11.82%	12.07%	12.32%	12.57%	12.82%
20.5	1.93	1.73	1.55	1.39	1.24	1.09	0.96	0.84	0.73	0.62	0.52	0.42	0.34	0.25	0.18	0.10	0.03
21.5	2.24	2.03	1.84	1.66	1.50	1.35	1.20	1.07	0.95	0.84	0.73	0.63	0.53	0.44	0.36	0.28	0.21
22.5	2.55	2.33	2.12	1.93	1.76	1.60	1.45	1.31	1.18	1.05	0.94	0.83	0.73	0.63	0.54	0.46	0.38
23.5	2.86	2.62	2.41	2.21	2.02	1.85	1.69	1.54	1.40	1.27	1.15	1.03	0.92	0.82	0.73	0.64	0.55
24.5	3.16	2.92	2.69	2.48	2.28	2.10	1.93	1.77	1.62	1.49	1.36	1.23	1.12	1.01	0.91	0.81	0.72
25.5	3.47	3.21	2.97	2.75	2.54	2.35	2.17	2.00	1.85	1.70	1.57	1.44	1.31	1.20	1.09	0.99	0.89
26.5	3.78	3.51	3.25	3.02	2.80	2.60	2.41	2.24	2.07	1.92	1.77	1.64	1.51	1.39	1.27	1.17	1.07
27.5	4.03	3.75	3.48	3.24	3.01	2.80	2.61	2.42	2.25	2.09	1.94	1.80	1.67	1.54	1.42	1.31	1.20
28.5	4.24	3.95	3.68	3.42	3.19	2.97	2.77	2.58	2.41	2.24	2.08	1.94	1.80	1.67	1.55	1.43	1.32
29.5	4.45	4.15	3.87	3.61	3.37	3.14	2.94	2.74	2.56	2.39	2.23	2.07	1.93	1.80	1.67	1.55	1.44
30.5	4.66	4.35	4.06	3.79	3.55	3.31	3.10	2.90	2.71	2.53	2.37	2.21	2.06	1.93	1.80	1.67	1.55
31.5	4.87	4.55	4.25	3.98	3.72	3.48	3.26	3.06	2.86	2.68	2.51	2.35	2.20	2.05	1.92	1.79	1.67
32.5	5.08	4.75	4.44	4.16	3.90	3.65	3.43	3.21	3.01	2.83	2.65	2.49	2.33	2.18	2.04	1.91	1.79
33.5	5.29	4.95	4.63	4.34	4.07	3.82	3.59	3.37	3.16	2.97	2.79	2.62	2.46	2.31	2.17	2.03	1.90
34.5	5.49	5.15	4.82	4.53	4.25	3.99	3.75	3.53	3.31	3.12	2.93	2.76	2.59	2.44	2.29	2.15	2.02

D CCA

Valuation support materials



CCA | Amusement Parks & Recreational Destinations peers trade at a 7.1x EV / 2026 EBITDA

Company name	Mkt. Cap.	EV	EV/Sales		EV/EBITDA (Pre-IFRS 16)		EV/EBITDA (Post-IFRS)		EV/EBIT		Sales CAGR	EBITDA Margin	ROIC	
			2025	2026	2025	2026	2025	2026	2025	2026				
Amusement parks & Rec. Destinations														
The Walt Disney Co. ¹⁾	US	174,109	210,376	2.4x	2.2x	11.2x	10.3x	10.7x	9.9x	13.2x	12.2x	4.5%	19.6%	23.7%
United Parks & Resorts,	US	3,070	4,918	2.9x	2.9x	7.0x	6.6x	7.0x	6.6x	9.6x	8.8x	2.7%	41.4%	19.6%
Six Flags Entertainment	US	1,991	4,795	3.3x	3.2x	9.2x	8.6x	8.9x	8.4x	11.5x	11.0x	5.0%	33.4%	16.8%
Cedar Fair LP	US	2,018	4,255	2.4x	2.3x	7.8x	7.4x	7.5x	7.1x	11.6x	10.5x	3.3%	29.7%	13.4%
Average		2,360	4,656	2.9x	2.8x	8.0x	7.5x	7.8x	7.4x	10.9x	10.1x	3.7%	34.8%	16.6%
Median		2,018	4,795	2.9x	2.9x	7.8x	7.4x	7.5x	7.1x	11.5x	10.5x	3.3%	33.4%	16.8%
Bars and Pubs														
Mitchells & Butlers Plc	GB	1,831	3,616	1.1x	1.1x	7.8x	7.5x	6.8x	6.6x	10.0x	9.5x	3.4%	14.0%	2.3%
JD Wetherspoon Plc	GB	1,191	2,448	1.0x	0.9x	7.3x	7.1x	7.9x	7.7x	13.8x	12.9x	4.6%	10.5%	5.6%
Average		1,511	3,032	1.1x	1.0x	7.5x	7.3x	7.3x	7.1x	11.9x	11.2x	4.0%	12.2%	4.0%
Median		1,511	3,032	1.1x	1.0x	7.5x	7.3x	7.3x	7.1x	11.9x	11.2x	4.0%	12.2%	4.0%
Catering														
Compass Group Plc	GB	45,016	48,157	1.1x	1.1x	11.9x	11.3x	11.5x	10.9x	15.7x	14.7x	6.8%	9.2%	28.9%
Sodexo SA	FR	12,565	14,670	0.6x	0.5x	9.0x	8.3x	8.3x	7.7x	11.3x	10.7x	5.7%	5.7%	12.6%
Aramark	US	8,125	13,064	0.8x	0.7x	9.3x	8.4x	5.4x	5.0x	13.5x		0.5%	7.4%	12.3%
Edenred SE	FR	12,377	11,092	3.5x	3.1x	7.9x	7.1x	7.9x	7.1x	9.5x	8.6x	17.9%	0.0%	12.1%
Elior Group SA	FR	1,620	1,861	0.9x	0.9x	8.6x	8.1x	7.8x	7.4x	11.0x	10.6x	12.6%	9.0%	12.4%
DO & CO AG	AT	783	1,801	0.3x		5.8x	7.1x	4.6x	4.6x	8.9x	7.7x	8.4%	4.3%	8.1%
Average		13,414	15,107	1.2x	1.3x	8.8x	8.4x	7.6x	7.1x	11.7x	10.5x	8.7%	6.0%	14.4%
Median		10,251	12,078	0.8x	0.9x	8.8x	8.2x	7.9x	7.3x	11.2x	10.6x	7.6%	6.6%	12.4%
Live entertainment & Ticketing														
Live Nation Ent	US	20,379	22,577	0.9x	0.8x	9.7x	8.7x	8.4x	7.6x	17.4x	14.5x	8.9%	8.6%	10.3%
CTS Eventim AG & Co.	US	7,689	6,118	2.3x	2.2x	11.3x	10.5x	11.0x	10.3x	13.8x	12.4x	6.1%	19.5%	53.4%
Madison Square Garden	US	1,652	2,488	2.6x	2.5x	12.3x	11.3x	11.8x	10.9x	21.1x	18.0x	6.6%	18.7%	11.7%
Eventbrite, Inc.	US	480	143	0.4x	0.3x	2.3x	1.9x	2.2x	1.8x	n.m.	12.8x	13.4%	13.6%	6.4%
Average		7,550	7,832	1.6x	1.5x	8.9x	8.1x	8.4x	7.6x	17.4x	14.4x	8.7%	15.1%	20.5%
Median		4,670	4,303	1.6x	1.5x	10.5x	9.6x	9.7x	9.0x	17.4x	13.7x	7.8%	16.1%	11.0%
Digital entertainment & movies														
Cinemark Holdings, Inc.	US	2,477	4,983	1.7x	1.6x			8.4x	7.6x	13.0x	10.9x	3.1%	0.0%	11.7%
Kinopolis Group NV	BE	1,078	1,678	2.4x	2.4x	6.7x	6.5x	7.4x	7.2x	11.9x	11.1x	7.2%	27.9%	9.5%
IMAX Corp.	US	833	971	2.6x	2.5x	6.7x	6.4x	6.8x	6.5x	12.9x	11.7x	5.0%	34.5%	8.8%
Barco NV	BE	1,185	818	0.7x	0.7x			5.0x	4.6x	n.m.	6.0x	2.8%	0.0%	18.2%
Average		1,393	2,113	1.8x	1.8x	6.7x	6.5x	6.9x	6.5x	12.6x	9.9x	4.5%	15.6%	12.0%
Median		1,131	1,325	2.0x	2.0x	6.7x	6.5x	7.1x	6.8x	12.9x	11.0x	4.0%	13.9%	10.6%
Average (All peers)		6,651	7,918	1.7x	1.7x	8.3x	7.8x	7.6x	7.1x	12.7x	11.2x	6.5%	15.1%	14.4%
Median (All peers)		1,991	4,255	1.1x	1.3x	7.9x	7.5x	7.8x	7.2x	11.9x	11.0x	5.7%	10.5%	12.1%

1) Walt Disney has been excluded for valuation purposes due to the significant impact of its other business segments (i.e. streaming etc.) on valuation and operating metrics

Source: FactSet as per 17 May 2024



Valuing Kingsway in steady state at 7.1x EV / EBITDA implies a share price of GBP 1.88

Key assumptions	
Valuation date	31-03-'24
EV / EBITDA multiple	7.1x
Discount rate (WACC) ¹⁾	10.8%

(in GBPm)	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	28Q2	28Q3	28Q4	
EBITDA	(0.8)	(0.9)	(1.0)	1.7	1.7	1.7	1.1	(0.6)	(0.6)	(2.7)	(3.1)	(4.9)	(6.6)	0.1	1.2	4.8	7.4	9.2	8.7	
Relevant 12-month EBITDA ²⁾	1.7	(2.8)	(7.0)	(11.2)	(17.3)	(14.4)	(10.1)	(0.5)	13.5	22.6	30.1	35.4	41.6	48.2	53.5	57.0	60.9	63.9	65.6	
Multiple	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.1x
Enterprise value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	465.7
Unlevered free cash flow	(1.0)	(1.1)	(5.5)	(3.0)	(3.6)	(18.5)	(19.4)	(15.4)	(16.0)	(18.8)	(18.4)	(19.8)	(101.9)	0.9	0.7	3.1	7.0	8.6	8.1	
PV of FCF	(1.0)	(1.1)	(5.1)	(2.7)	(3.2)	(16.1)	(16.4)	(12.7)	(12.9)	(14.7)	(14.1)	(14.7)	(73.9)	0.6	0.5	2.1	4.6	5.5	5.0	
PV of EV	289.8																			
Sum of FCF	(170.4)																			
Enterprise value	119.4																			
Net (debt) / cash day 1	3.5																			
Equity value	122.9																			
Shares outstanding (mln)	65.5																			
Price per share (GBP)	1.88																			

Methodology overview


- Multiple from CCA analysis is applied to the steady-state (2030) EBITDA to derive the future Enterprise Value
- The future EV is discounted back from 2028 (since the 2026 multiple is a t+2 multiple, the same lead is used for valuing Kingsway)
- The unlevered free cash flows from the management case used for the DCF between 2024 and 2028 are discounted at the WACC and added / (subtracted) from the present value of the EV to arrive at the current EV

1) Please refer to page 14 for a full breakdown of the WACC
 2) 2030 EBITDA is used (year+2) as the 2026 multiple has been applied from the peer group













Brief overview of listed peers used in the CCA (1/4)

Amusement parks & Recreational Destinations









Bars & Pubs

Company	HQ	Brief Description	Geography	Key Financials (In EURm, latest actuals)			
				Revenue	EBITDA	EBIT	FTE
 ¹⁾		Engages in the ownership and operation of theme parks and water parks. It operates under the brand name Six Flags, which offers rides, water attractions, themed areas, concerts and shows, restaurants, game venues, and retail outlets.	<ul style="list-style-type: none"> ▪ US ▪ Other 	1,319	411	305	1,350
 ¹⁾		Cedar Fair LP engages in the operation of amusement parks, outdoor and indoor water parks, and hotels. Its amusement parks include Cedar Point, Kings Island, Canada's Wonderland, Dorney Park and Wildwater Kingdom, Valleyfair, Kings Dominion, Worlds of Fun, Knott's Berry Farm, and California's Great America.	<ul style="list-style-type: none"> ▪ US 	1,664	467	321	53,050
		Ownership and operation of theme parks. Its portfolio includes SeaWorld, Busch Gardens, Aquatica, Discovery Cove, Sesame Place, and Sea Rescue. The company was founded in 1959 and is headquartered in Orlando, FL.	<ul style="list-style-type: none"> ▪ US 	1,597	595	452	3,300
		International family entertainment and media enterprise. It owns and operates television and radio production, distribution and broadcasting stations, direct-to-consumer services, amusement parks, and hotels. It operates through the following business segments: Disney Entertainment, ESPN, and Disney Parks, Experiences, and Products.	<ul style="list-style-type: none"> ▪ US ▪ EU ▪ Asia 	82,929	13,231	8,198	225,000
		Mitchells & Butlers Plc engages in the business of operating managed restaurants and pubs. It operates through the United Kingdom and Germany geographical segments. The company was founded in 1898 and is headquartered in Birmingham, the United Kingdom.	<ul style="list-style-type: none"> ▪ UK ▪ DE 	2,876	411	258	50,259
		JD Wetherspoon Plc engages in the ownership of group of pubs throughout the United Kingdom. It offers food and drinks. The company was founded by Timothy Randall Martin on December 9, 1979, and is headquartered in Watford, the United Kingdom.	<ul style="list-style-type: none"> ▪ UK ▪ IE 	2,212	248	122	44,156









1) Six Flags and Cedar Fair in process of merger, (potentially) impacting share prices

Company	HQ	Brief Description	Geography	Key Financials (In EURm, latest actuals)			
				Revenue	EBITDA	EBIT	FTE
		Provision of food service and support services. It caters the sectors of business and industry, healthcare and seniors, education, defence, offshore and remote, sports and leisure, and vending. The company was founded in 1941 and is headquartered in Chertsey, the United Kingdom.	<ul style="list-style-type: none"> ▪ UK ▪ US ▪ EU ▪ Rest of world 	35,647	3,271	2,260	n.m.
		Provision of on-site services, benefits and rewards services, and personal and home care services. The firm focuses on tangible everyday gestures and actions through its services in order to have a positive economic, social and environmental impact over time.	<ul style="list-style-type: none"> ▪ FR ▪ US ▪ EU ▪ Rest of world 	22,637	1,389	929	435,159
		Aramark engages in the provision of food, facilities, and uniform services. It operates through the following segments: Food and Support Services United States (FSS United States), Food and Support Services International (FSS International), and Uniform and Career Apparel (Uniform).	<ul style="list-style-type: none"> ▪ US ▪ EU ▪ Other 	17,676	1,361	849	262,550
		Elior Group SA engages in the provision of contract and concession catering services. It operates through the following segments: Contract Catering, Multiservices, and Corporate and Other. The company was founded in 1991 and is headquartered in Paris, France.	<ul style="list-style-type: none"> ▪ FR ▪ EU ▪ Rest of world 	5,223	203	33	132,783
		DO & CO AG is a holding company, which engages in the provision of catering solutions. It specializes in restaurants, cafes, lounges, hotels, staff restaurants, retail, airport gastronomy, and railway catering and gourmet. It operates through the following segments: Airline Catering, International Event Catering, and Restaurants, Lounges, and Hotels.	<ul style="list-style-type: none"> ▪ AT ▪ TU ▪ UK ▪ US ▪ DE 	n.m.	n.m.	n.m.	n.m.
		Edenred engages in the provision of digital payment solutions for the working world. It operates through the following segments: Benefits & Engagement, Mobility, and Complementary Solutions. The company was founded on December 14, 2006 and is headquartered in Issy-les-Moulineaux, France.	<ul style="list-style-type: none"> ▪ FR ▪ EU ▪ South-America 	2,311	736	543	11,233

Brief overview of listed peers used in the CCA (3/4)

Company	HQ	Brief Description	Geography	Key Financials (In EURm, latest actuals)			
				Revenue	EBITDA	EBIT	FTE
		CTS Eventim AG & Co. KGaA engages in ticketing and live entertainment event management. It operates through the following segments: Ticketing and Live Entertainment. The Ticketing segment includes the production, sale, distribution, and marketing of tickets for concerts, theatre, art exhibition, sports, and other events	<ul style="list-style-type: none"> ▪ DE ▪ EU ▪ US 	2,359	413	341	4,060
		Live Nation Entertainment, Inc. operates as an entertainment company. The firm engages in producing, marketing, and selling live concerts for artists via its global concert pipe. It operates through the following segments: Concerts, Sponsorship and Advertising, and Ticketing.	<ul style="list-style-type: none"> ▪ US ▪ EU 	21,042	1,529	973	14,700
		Madison Square Garden Entertainment Corp. provides live entertainment services. Its portfolio of venues includes The Garden, The Theater at Madison Square, Radio City Music Hall, the Beacon Theatre, and The Chicago Theatre. The company's entertainment and sports bookings business showcases a broad array of compelling concerts, family shows and special or sporting events	<ul style="list-style-type: none"> ▪ US 	814	176	106	5,820
		Eventbrite, Inc. provides event management services encompassing online ticketing, event hosting, organization, promotion, and advertising. It offers virtual events, online webinars, online classes, virtual runs, online Zumba classes, and online yoga.	<ul style="list-style-type: none"> ▪ US ▪ Rest of World 	302	-9	-23	866

Brief overview of listed peers used in the CCA (4/4)

Company	HQ	Brief Description	Geography	Key Financials (In EURm, latest actuals)			
				Revenue	EBITDA	EBIT	FTE
		Barco NV engages in the designing and development of visualization solutions. It operates through the following business segments: Entertainment, Enterprise, and Healthcare. The Entertainment segment focuses on the delivery of projection, lighting, LED, and software solutions for professional markets, such as cinema, venues etc	<ul style="list-style-type: none"> ▪ BE ▪ US ▪ Europe ▪ Asia 	1,050	136	98	3,370
		Cinemark Holdings, Inc. is a holding company, which engages in the provision of motion picture exhibitions through its subsidiaries. It operates through the U.S. and International segments. The company was founded by Lee Roy Mitchell in 1984 and is headquartered in Plano, TX.	<ul style="list-style-type: none"> ▪ US ▪ BR ▪ Other 	2,837	538	344	17,500
		IMAX Corp. is an entertainment technology company, which engages in the business of motion picture technologies and presentations. It operates through the Content Solutions and Technology Products and Services segments. The Content Solutions segment includes content enhancement and distribution services.	<ul style="list-style-type: none"> ▪ US ▪ CA ▪ CH ▪ EU ▪ Other 	347	107	52	43
		Kinepolis Group NV is a holding company, which engages in the operation of multiplex movie theatres. Its activities include sale of cinema tickets, in-theatre sales, film distribution, screen advertising, provision of digital cinema services, and real estate business.	<ul style="list-style-type: none"> ▪ BE ▪ CD ▪ FR ▪ NL ▪ US 	605	185	102	1,976



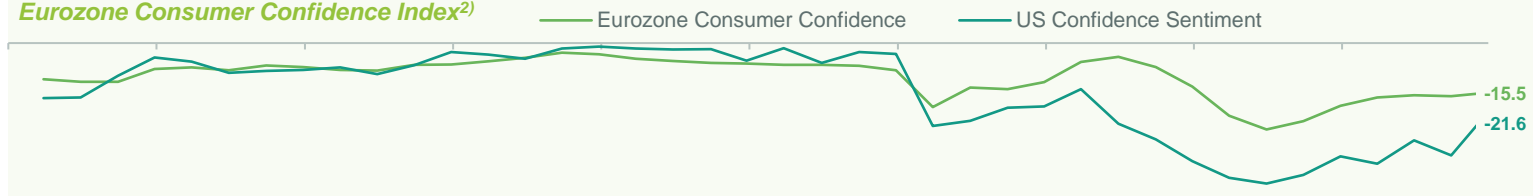
COVID lockdowns, fear of rising inflation rates and geopolitical tensions have heavily impacted EBITDA multiples in the leisure sector in the recent past. However, current valuation levels are only slightly below Pre-COVID levels and appear stable again

Median EV / NTM EBITDA¹⁾



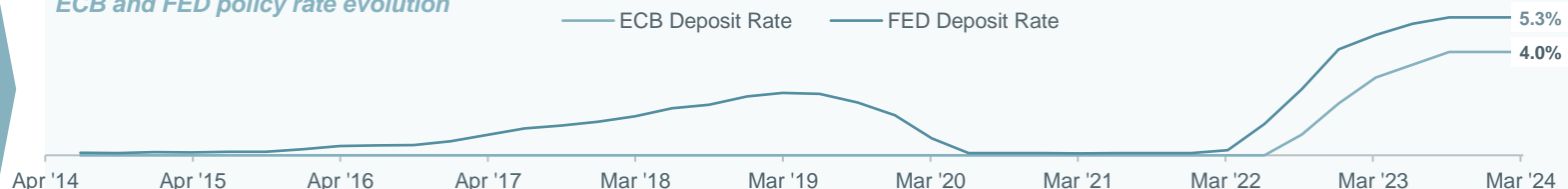
Consumer confidence indices are often acting as leading indicators for economic performance in the leisure/recreational companies. As observed on the right graph, a correlation between consumer confidence and EV/NTM EBITDA can be observed

Eurozone Consumer Confidence Index²⁾



FED and ECB Policy rates often have a significant impact on the share price and thus valuation of listed companies. However, the rising rates in 2022 appear to have limited impact on Amusement parks and Recreational peers, due to their significant pricing power and the inherent cost structure of the business (relatively fixed or slow to adjust to inflation)

ECB and FED policy rate evolution



Source: FactSet as per May 2024

1) Excluding outlier values larger than 30x EV/EBITDA

2) Confidence indices are relative to the base value of 100, where the confidence/sentiment is neutral. Negative values indicate a more pessimistic view, while positive values indicate a more optimistic outlook

E CTA

Valuation support materials



Valuing Kingsway in steady state at 9.0x EV / EBITDA implies a share price of GBP 2.01

Key assumptions	
Valuation date	31-03-'24
EV / EBITDA multiple	9.0x
Discount rate (WACC) ¹⁾	10.8%

(in GBPm)	24Q2	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	28Q2	28Q3	28Q4	29Q1	29Q2	29Q3	29Q4	30Q1	30Q2	30Q3	30Q4	
EBITDA	(0.8)	(3.1)	(4.9)	(6.6)	0.1	1.2	4.8	7.4	9.2	8.7	10.1	13.6	15.7	14.1	13.5	17.6	18.7	15.8	
LTM EBITDA ²⁾	(1.5)	(7.0)	(11.2)	(17.3)	(14.4)	(10.1)	(0.5)	13.5	22.6	30.1	35.4	41.6	48.2	53.5	57.0	60.9	63.9	65.6	
Multiple	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.0x
Enterprise value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	590.3
Unlevered free cash flow	(1.0)	(18.4)	(19.8)	(101.9)	0.9	0.7	3.1	7.0	8.6	8.1	-	-	-	-	-	-	-	-	
PV of FCF	(1.0)	(14.1)	(14.7)	(73.9)	0.6	0.5	2.1	4.6	5.5	5.0	-	-	-	-	-	-	-	-	
PV of EV	298.7																		
Sum of FCF	(170.4)																		
Enterprise value	128.4																		
Net (debt) / cash day 1	3.5																		
Equity value	131.9																		
Shares outstanding (mln)	65.5																		
Price per share (GBP)	2.01																		

Methodology overview

- Multiple from CTA analysis is applied to the steady-state (2030) EBITDA to derive the future Enterprise Value
- The future EV is discounted back from 2030 (since the CTA multiple is on LTM EBITDA, the same lag is used for valuing Kingsway)
- The unlevered free cash flows from the management case used for the DCF between 2024 and 2028 are discounted at the WACC and added / (subtracted) from the present value of the EV to arrive at the current EV

1) Please refer to page 14 for a full breakdown of the WACC
 2) 2030 EBITDA is used (LTM) in line with the comparable transactions

F Key process steps and documents reviewed



Overview of interactions with Kingsway Management to date and planning towards submittal of final report

Contact log

Date	Type	Description
9 April 2024	Online	Introduction meeting plus Kingsway/ABN AMRO CF Department plus initial Q&A valuation round
24 April 2024	In Person	ABN AMRO CF/ECM Tunnel Visit
25 April 2024	Online	Valuation update call Kingsway/ABN AMRO CF
30 April 2024	Online	Valuation update call Kingsway/ABN AMRO CF



List of documents received (key documents included but non-exhaustive)

Date received ¹⁾	Type	Document title
3 April 2024	PDF	13b. 20240119 TLT draft Edison note
3 April 2024	PDF	13b. 20240119 TLT draft Edison note-NLLR4000525838
3 April 2024	PDF	231214 VSA Capital - TLT Valuation Parameters Note For Submission
3 April 2024	XLSX	MODEL 100m and Explorer
3 April 2024	PDF	2024.02.28 TLT LSE Prospectus - 1 and 2024.03.31 Project Kingsway - Prospectus (master) - 2
3 April 2024	DOCX	2024.03.31 Project Kingsway - Prospectus (master)
3 April 2024	PDF	AFM April 2 2024 Final v3 03.30.2024
3 April 2024	PDF	Core5 Draft Cost Estimate, May-21
3 April 2024	PDF	Project Kingsway - Kick off presentation revised vASTC
3 April 2024	PDF	TLTL 2023 final

1) Received by the ABN AMRO CF department



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