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## **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

Website : [www.melco-group.com](http://www.melco-group.com)

(Stock Code : 200)

### **OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

Melco Resorts & Entertainment Limited, a listed subsidiary of the Company, whose American depositary shares are listed on the Nasdaq Global Select Market in the United States, has released its unaudited financial results for the third quarter ended 30 September 2023 on 7 November 2023. For details, please refer to the attached earnings release.

Hong Kong, 7 November 2023

*As at the date of this announcement, the board of directors of the Company comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (President and Managing Director) and Mr. Chung Yuk Man, Clarence, and three Independent Non-executive Directors, namely Mr. John William Crawford, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.*



**FOR IMMEDIATE RELEASE**

## **Melco Announces Unaudited Third Quarter 2023 Earnings**

**Macau, Tuesday, November 7, 2023** – Melco Resorts & Entertainment Limited (Nasdaq: MLCO) (“Melco” or the “Company”), a developer, owner, and operator of integrated resort facilities in Asia and Europe, today reported its unaudited financial results for the third quarter of 2023.

Total operating revenues for the third quarter of 2023 were US\$1.02 billion, representing an increase of approximately 321% from US\$241.8 million for the comparable period in 2022. The increase in total operating revenues was primarily attributable to the improved performance in all gaming segments and non-gaming operations following the relaxation of COVID-19 related restrictions in Macau in January 2023 and the opening of Studio City Phase 2.

Operating income for the third quarter of 2023 was US\$94.7 million, compared with operating loss of US\$198.5 million in the third quarter of 2022.

Melco generated Adjusted Property EBITDA<sup>(1)</sup> of US\$280.6 million in the third quarter of 2023, compared with negative Adjusted Property EBITDA of US\$34.9 million in the third quarter of 2022.

Net loss attributable to Melco Resorts & Entertainment Limited for the third quarter of 2023 was US\$16.3 million, or US\$0.04 per ADS, compared with US\$243.8 million, or US\$0.53 per ADS, in the third quarter of 2022. The net loss attributable to noncontrolling interests was US\$20.5 million and US\$42.8 million during the third quarters of 2023 and 2022, respectively, all of which were related to Studio City, City of Dreams Manila, and City of Dreams Mediterranean and Other.

Mr. Lawrence Ho, our Chairman and Chief Executive Officer, commented, “Macau’s recovery continued to grow from strength to strength into the third quarter of 2023, especially during the summer months, with our property visitation and casino player hours benefiting from this growth. We had solid performance over the October Golden Week and we saw a robust recovery during the remainder of October. Both gaming and non-gaming segment revenues improved, reinforced by our commitment to invest in world class entertainment and enhance our non-gaming amenities. Our market leading design standards were recognized by Prix Versailles with Morpheus being the only hotel in Macau to have the honor of being included as one of the World’s Most Beautiful Hotels.

“City of Dreams Manila continues to generate solid earnings with a strong margin profile. On the other hand, after a successful opening, City of Dreams Mediterranean has been impacted by the conflict in Israel. Our teams are working on re-aligning our marketing strategy.

“Food waste reduction continues to be a key focus of our sustainability strategy with plate waste being the most challenging area to address. With clean plate awareness campaigns taking place almost daily in our staff dining areas at City of Dreams Manila and the implementation of AI technology, plate waste per cover has reduced by more than 60%.”

### **City of Dreams Third Quarter Results**

For the quarter ended September 30, 2023, total operating revenues at City of Dreams were US\$506.2 million, compared with US\$66.4 million in the third quarter of 2022. City of Dreams generated Adjusted EBITDA of US\$153.9 million in the third quarter of 2023, compared with negative Adjusted EBITDA of US\$40.2 million in the third quarter of 2022. The year-over-year increase in Adjusted EBITDA was primarily a result of better performance in all gaming segments and non-gaming operations.

Rolling chip volume was US\$4.43 billion for the third quarter of 2023 versus US\$332.2 million in the third quarter of 2022. The rolling chip win rate was 2.48% in the third quarter of 2023 versus 4.53% in the third quarter of 2022. The expected rolling chip win rate range is 2.85%-3.15%.

Mass market table games drop increased to US\$1.32 billion in the third quarter of 2023, compared with US\$133.5 million in the third quarter of 2022. The mass market table games hold percentage was 32.1% in the third quarter of 2023, compared with 28.6% in the third quarter of 2022.

Gaming machine handle for the third quarter of 2023 was US\$807.5 million, compared with US\$137.4 million in the third quarter of 2022. The gaming machine win rate was 3.6% in the third quarter of 2023 versus 4.3% in the third quarter of 2022.

Total non-gaming revenue at City of Dreams in the third quarter of 2023 was US\$73.6 million, compared with US\$19.3 million in the third quarter of 2022.

### **Altira Macau Third Quarter Results**

For the quarter ended September 30, 2023, total operating revenues at Altira Macau were US\$24.2 million, compared with US\$2.4 million in the third quarter of 2022. Altira Macau generated negative

Adjusted EBITDA of US\$3.8 million in the third quarter of 2023, compared with negative Adjusted EBITDA of US\$12.9 million in the third quarter of 2022. The year-over-year decrease in negative Adjusted EBITDA was primarily a result of better performance in the mass market segment and non-gaming operations.

In the mass market table games segment, drop was US\$140.0 million in the third quarter of 2023 versus US\$18.4 million in the third quarter of 2022. The mass market table games hold percentage was 18.9% in the third quarter of 2023, compared with 4.8% in the third quarter of 2022.

Gaming machine handle for the third quarter of 2023 was US\$86.5 million, compared with US\$33.2 million in the third quarter of 2022. The gaming machine win rate was 3.9% in the third quarter of 2023 versus 2.9% in the third quarter of 2022.

Total non-gaming revenue at Altira Macau in the third quarter of 2023 was US\$5.3 million, compared with US\$1.3 million in the third quarter of 2022.

### **Mocha and Other Third Quarter Results**

Total operating revenues from Mocha and Other were US\$30.1 million in the third quarter of 2023, compared with US\$18.8 million in the third quarter of 2022. Mocha and Other generated Adjusted EBITDA of US\$6.9 million in the third quarter of 2023, compared with Adjusted EBITDA of US\$1.7 million in the third quarter of 2022.

Mass market table games drop was US\$47.3 million in the third quarter of 2023 versus US\$17.8 million in the third quarter of 2022. The mass market table games hold percentage was 18.6% in the third quarter of 2023 versus 20.3% in the third quarter of 2022.

Gaming machine handle for the third quarter of 2023 was US\$515.8 million, compared with US\$327.6 million in the third quarter of 2022. The gaming machine win rate was 4.5% in the third quarter of 2023 versus 4.7% in the third quarter of 2022.

### **Studio City Third Quarter Results**

For the quarter ended September 30, 2023, total operating revenues at Studio City were US\$277.7 million, compared with US\$25.6 million in the third quarter of 2022. Studio City generated Adjusted EBITDA of US\$67.7 million in the third quarter of 2023, compared with negative Adjusted EBITDA of

US\$31.5 million in the third quarter of 2022. The year-over-year increase in Adjusted EBITDA was primarily a result of better performance in all gaming segments and non-gaming operations.

Studio City's rolling chip volume was US\$713.6 million in the third quarter of 2023 versus US\$42.1 million in the third quarter of 2022. The rolling chip win rate was 1.78% in the third quarter of 2023 versus 4.18% in the third quarter of 2022. The expected rolling chip win rate range is 2.85%- 3.15%.

Mass market table games drop increased to US\$809.1 million in the third quarter of 2023, compared with US\$61.9 million in the third quarter of 2022. The mass market table games hold percentage was 27.5% in the third quarter of 2023, compared with 25.6% in the third quarter of 2022.

Gaming machine handle for the third quarter of 2023 was US\$673.9 million, compared with US\$98.2 million in the third quarter of 2022. The gaming machine win rate was 3.2% in the third quarter of 2023, compared with 3.1% in the third quarter of 2022.

Total non-gaming revenue at Studio City in the third quarter of 2023 was US\$79.0 million, compared with US\$9.0 million in the third quarter of 2022.

### **City of Dreams Manila Third Quarter Results**

For the quarter ended September 30, 2023, total operating revenues at City of Dreams Manila were US\$124.9 million, compared with US\$102.6 million in the third quarter of 2022. City of Dreams Manila generated Adjusted EBITDA of US\$48.7 million in the third quarter of 2023, compared with Adjusted EBITDA of US\$41.4 million in the comparable period of 2022.

City of Dreams Manila's rolling chip volume was US\$374.6 million in the third quarter of 2023 versus US\$513.2 million in the third quarter of 2022. The rolling chip win rate was 6.48% in the third quarter of 2023 versus 2.91% in the third quarter of 2022. The expected rolling chip win rate range is 2.85% - 3.15%.

Mass market table games drop increased to US\$214.1 million in the third quarter of 2023, compared with US\$153.3 million in the third quarter of 2022. The mass market table games hold percentage was 29.7% in the third quarter of 2023, compared with 33.1% in the third quarter of 2022.

Gaming machine handle for the third quarter of 2023 was US\$1.03 billion, compared with US\$930.8 million in the third quarter of 2022. The gaming machine win rate was 4.9% in the third quarter of 2023 versus 5.2% in the third quarter of 2022.

Total non-gaming revenue at City of Dreams Manila in the third quarter of 2023 was US\$29.0 million, compared with US\$28.5 million in the third quarter of 2022.

### **City of Dreams Mediterranean and Other Third Quarter Results**

City of Dreams Mediterranean officially opened to the public on July 10, 2023, after a soft opening in June. The Company continues to operate three satellite casinos in Cyprus in conjunction with City of Dreams Mediterranean (collectively, the “Cyprus Casinos”).

Total operating revenues at the Cyprus Casinos for the quarter ended September 30, 2023 were US\$53.4 million, compared with US\$24.8 million in the third quarter of 2022. The Cyprus Casinos generated Adjusted EBITDA of US\$7.2 million in the third quarter of 2023, compared with Adjusted EBITDA of US\$6.7 million in the third quarter of 2022.

Rolling chip volume was US\$3.9 million for the third quarter of 2023 versus US\$1.7 million in the third quarter of 2022. The rolling chip win rate was negative 7.05% in the third quarter of 2023, compared with 14.19% in the third quarter of 2022. The expected rolling chip win rate range is 2.85% - 3.15%.

Mass market table games drop was US\$97.2 million in the third quarter of 2023, compared with US\$39.0 million in the third quarter of 2022. The mass market table games hold percentage was 20.6% in the third quarter of 2023, compared with 19.8% in the third quarter of 2022.

Gaming machine handle for the third quarter of 2023 was US\$466.5 million, compared with US\$346.2 million in the third quarter of 2022. The gaming machine win rate was 5.2% in the third quarter of 2023 versus 5.1% in the third quarter of 2022.

Total non-gaming revenue at City of Dreams Mediterranean and Other in the third quarter of 2023 was US\$16.8 million, compared with US\$0.2 million in the third quarter of 2022.

## **Other Factors Affecting Earnings**

Total net non-operating expenses for the third quarter of 2023 were US\$129.5 million, which mainly included interest expenses of US\$131.1 million, partially offset by interest income of US\$6.1 million.

Depreciation and amortization costs of US\$140.7 million were recorded in the third quarter of 2023, of which US\$5.7 million related to the amortization expense for land use rights.

The Adjusted EBITDA for Studio City for the three months ended September 30, 2023 referred to above is US\$11.5 million more than the Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited (“SCIHL”) dated November 7, 2023 (the “Studio City Earnings Release”). The Adjusted EBITDA of Studio City contained in the Studio City Earnings Release includes certain intercompany charges that are not included in the Adjusted EBITDA for Studio City contained in this press release. Such intercompany charges include, among other items, fees and shared service charges billed between SCIHL and its subsidiaries and certain subsidiaries of Melco. Additionally, Adjusted EBITDA of Studio City included in this press release does not reflect certain gaming concession related costs and certain intercompany costs related to the table games operations at Studio City Casino.

## **Financial Position and Capital Expenditures**

Total cash and bank balances as of September 30, 2023 aggregated to US\$1.54 billion, including US\$124.8 million of restricted cash. Total debt, net of unamortized deferred financing costs and original issue premiums, was US\$7.77 billion at the end of the third quarter of 2023, a reduction of US\$100 million compared to the total debt balance as of June 30, 2023. Available liquidity, including cash and undrawn revolving credit facilities, as of September 30, 2023, was US\$2.26 billion.

Capital expenditures for the third quarter of 2023 were US\$61.1 million, which included costs related to the construction of the City of Dreams Mediterranean in Cyprus, Studio City Phase 2 and enhancement projects at City of Dreams in Macau.

## **Conference Call Information**

Melco Resorts & Entertainment Limited will hold a conference call to discuss its third quarter 2023 financial results on Tuesday, November 7, 2023 at 8:30 a.m. Eastern Time (or 9:30 p.m. Singapore Time).

To join the conference call, please register in advance using the below Online Registration Link. Upon registering, each participant will receive the dial-in numbers and a unique Personal PIN which can be used to join the conference.

Online Registration Link:

<https://register.vevent.com/register/BI530c8e115be14d1789750179df1b8422>

An audio webcast and replay of the conference call will also be available at <http://www.melco-resorts.com>.

### **Safe Harbor Statement**

This press release contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Melco Resorts & Entertainment Limited (the “Company”) may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, and a number of factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors include, but are not limited to, (i) COVID-19 outbreaks, and the impact of its consequences on our business, our industry and the global economy, (ii) risks associated with the newly adopted gaming law in Macau and its implementation by the Macau government, (iii) changes in the gaming market and visitations in Macau, the Philippines and the Republic of Cyprus, (iv) capital and credit market volatility, (v) local and global economic conditions, (vi) our anticipated growth strategies, (vii) gaming authority and other governmental approvals and regulations, and (viii) our future business development, results of operations and financial condition. In some cases, forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “target”, “aim”, “estimate”, “intend”, “plan”, “believe”, “potential”, “continue”, “is/are likely to” or other similar expressions. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the SEC. All information provided in this press release is as of the date of this press release, and the Company undertakes no duty to update such information, except as required under applicable law.

### **Non-GAAP Financial Measures**

(1) “Adjusted EBITDA” is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the “Philippine Parties”), land rent to Belle Corporation and other non-operating income and expenses. “Adjusted Property EBITDA” is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation, Corporate and Other expenses and other non-operating income and expenses. Adjusted EBITDA

and Adjusted Property EBITDA are presented exclusively as supplemental disclosures because management believes they are widely used to measure the performance, and as a basis for valuation, of gaming companies. Management uses Adjusted EBITDA and Adjusted Property EBITDA as measures of the operating performance of its segments and to compare the operating performance of its properties with those of its competitors.

The Company also presents Adjusted EBITDA and Adjusted Property EBITDA because they are used by some investors as ways to measure a company's ability to incur and service debt, make capital expenditures, and meet working capital requirements. Gaming companies have historically reported Adjusted EBITDA and Adjusted Property EBITDA as supplements to financial measures in accordance with U.S. GAAP. However, Adjusted EBITDA and Adjusted Property EBITDA should not be considered as alternatives to operating income/loss as indicators of the Company's performance, as alternatives to cash flows from operating activities as measures of liquidity, or as alternatives to any other measure determined in accordance with U.S. GAAP. Unlike net income/loss, Adjusted EBITDA and Adjusted Property EBITDA do not include depreciation and amortization or interest expense and, therefore, do not reflect current or future capital expenditures or the cost of capital. The Company recognizes these limitations and uses Adjusted EBITDA and Adjusted Property EBITDA as only two of several comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of operating performance.

Such U.S. GAAP measurements include operating income/loss, net income/loss, cash flows from operations and cash flow data. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other recurring and nonrecurring charges, which are not reflected in Adjusted EBITDA or Adjusted Property EBITDA. Also, the Company's calculation of Adjusted EBITDA and Adjusted Property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited. Reconciliations of Adjusted EBITDA and Adjusted Property EBITDA with the most comparable financial measures calculated and presented in accordance with U.S. GAAP are provided herein immediately following the financial statements included in this press release.

- (2) "Adjusted net income/loss" is net income/loss before pre-opening costs, property charges and other and gain on extinguishment of debt, net of noncontrolling interests and taxes calculated using specific tax treatments applicable to the adjustments based on their respective jurisdictions. Adjusted net income/loss attributable to Melco Resorts & Entertainment Limited and adjusted net income/loss attributable to Melco Resorts & Entertainment Limited per share ("EPS") are presented as supplemental disclosures because management believes they are widely used to measure the performance, and as a basis for valuation, of gaming companies. These measures are used by management and/or evaluated by some investors, in addition to income/loss and EPS computed in accordance with U.S. GAAP, as an additional basis for assessing period-to-period results of our business. Adjusted net income/loss attributable to Melco Resorts & Entertainment Limited and adjusted net income/loss attributable to Melco Resorts & Entertainment Limited per share may be different from the calculation methods used by other companies and, therefore, comparability may be limited. Reconciliations of adjusted net income/loss attributable to Melco Resorts & Entertainment Limited with the most comparable financial measures calculated and presented in accordance with U.S. GAAP are provided herein immediately following the financial statements included in this press release.

## **About Melco Resorts & Entertainment Limited**

The Company, with its American depositary shares listed on the Nasdaq Global Select Market (Nasdaq: MLCO), is a developer, owner and operator of integrated resort facilities in Asia and Europe. The Company currently operates Altira Macau ([www.altiramacau.com](http://www.altiramacau.com)), an integrated resort located at Taipa, Macau and City of Dreams ([www.cityofdreamsmacau.com](http://www.cityofdreamsmacau.com)), an integrated resort located in Cotai, Macau. Its business also includes the Mocha Clubs ([www.mochaclubs.com](http://www.mochaclubs.com)), which comprise the largest non-casino based operations of electronic gaming machines in Macau. The Company also majority owns and operates Studio City ([www.studiocity-macau.com](http://www.studiocity-macau.com)), a cinematically-themed integrated resort in Cotai, Macau. In the Philippines, a Philippine subsidiary of the Company currently operates and manages City of Dreams Manila ([www.cityofdreamsmanila.com](http://www.cityofdreamsmanila.com)), an integrated resort in the Entertainment City complex in Manila. In Europe, the Company operates City of Dreams Mediterranean in Limassol in the Republic of Cyprus ([www.cityofdreamsmed.com.cy](http://www.cityofdreamsmed.com.cy)). The Company also continues to operate three satellite casinos in other cities in Cyprus (the "Cyprus Casinos"). For more information about the Company, please visit [www.melco-resorts.com](http://www.melco-resorts.com).

The Company is majority owned by Melco International Development Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, which is in turn majority owned and led by Mr. Lawrence Ho, who is the Chairman, Executive Director and Chief Executive Officer of the Company.

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**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating revenues:				
Casino	\$ 812,086	\$ 181,962	\$ 2,179,536	\$ 808,930
Rooms	96,113	25,976	234,776	89,277
Food and beverage	60,370	17,973	143,668	62,238
Entertainment, retail and other	48,646	15,926	123,654	52,444
Total operating revenues	<u>1,017,215</u>	<u>241,837</u>	<u>2,681,634</u>	<u>1,012,889</u>
Operating costs and expenses:				
Casino	(533,311)	(173,805)	(1,437,761)	(685,591)
Rooms	(25,345)	(10,863)	(59,567)	(35,057)
Food and beverage	(48,251)	(17,279)	(111,669)	(61,091)
Entertainment, retail and other	(25,770)	(5,145)	(68,336)	(16,836)
General and administrative	(130,447)	(98,819)	(358,776)	(302,483)
Payments to the Philippine Parties	(9,979)	(8,417)	(32,638)	(26,878)
Pre-opening costs	(10,184)	(3,313)	(40,444)	(8,915)
Amortization of gaming subconcession	-	(2,844)	-	(29,932)
Amortization of land use rights	(5,672)	(5,653)	(16,990)	(16,990)
Depreciation and amortization	(134,996)	(113,549)	(381,666)	(353,142)
Property charges and other	1,442	(696)	(14,445)	(19,595)
Total operating costs and expenses	<u>(922,513)</u>	<u>(440,383)</u>	<u>(2,522,292)</u>	<u>(1,556,510)</u>
Operating income (loss)	<u>94,702</u>	<u>(198,546)</u>	<u>159,342</u>	<u>(543,621)</u>
Non-operating income (expenses):				
Interest income	6,064	8,814	17,837	17,025
Interest expenses, net of amounts capitalized	(131,128)	(93,747)	(363,597)	(272,055)
Other financing costs	(1,097)	(1,755)	(3,021)	(5,439)
Foreign exchange (losses) gains, net	(3,833)	(505)	(2,292)	2,857
Other income, net	438	1,145	1,756	2,713
Gain on extinguishment of debt	80	-	80	-
Total non-operating expenses, net	<u>(129,476)</u>	<u>(86,048)</u>	<u>(349,237)</u>	<u>(254,899)</u>
Loss before income tax	<u>(34,774)</u>	<u>(284,594)</u>	<u>(189,895)</u>	<u>(798,520)</u>
Income tax (expense) benefit	<u>(2,021)</u>	<u>(2,028)</u>	<u>1,295</u>	<u>(4,618)</u>
Net loss	<u>(36,795)</u>	<u>(286,622)</u>	<u>(188,600)</u>	<u>(803,138)</u>
Net loss attributable to noncontrolling interests	20,492	42,780	67,568	124,553
Net loss attributable to Melco Resorts & Entertainment Limited	<u>\$ (16,303)</u>	<u>\$ (243,842)</u>	<u>\$ (121,032)</u>	<u>\$ (678,585)</u>
Net loss attributable to Melco Resorts & Entertainment Limited per share:				
Basic	<u>\$ (0.012)</u>	<u>\$ (0.176)</u>	<u>\$ (0.092)</u>	<u>\$ (0.481)</u>
Diluted	<u>\$ (0.012)</u>	<u>\$ (0.176)</u>	<u>\$ (0.092)</u>	<u>\$ (0.482)</u>
Net loss attributable to Melco Resorts & Entertainment Limited per ADS:				
Basic	<u>\$ (0.037)</u>	<u>\$ (0.528)</u>	<u>\$ (0.276)</u>	<u>\$ (1.444)</u>
Diluted	<u>\$ (0.037)</u>	<u>\$ (0.528)</u>	<u>\$ (0.276)</u>	<u>\$ (1.446)</u>
Weighted average shares outstanding used in net loss attributable to Melco Resorts & Entertainment Limited per share calculation:				
Basic	<u>1,311,270,775</u>	<u>1,386,720,527</u>	<u>1,315,728,852</u>	<u>1,409,983,323</u>
Diluted	<u>1,311,270,775</u>	<u>1,386,720,527</u>	<u>1,315,728,852</u>	<u>1,409,983,323</u>

**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(In thousands, except share and per share data)

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,417,998	\$ 1,812,729
Restricted cash	26	50,992
Accounts receivable, net	95,716	55,992
Receivables from affiliated companies	1,001	630
Inventories	28,106	26,416
Prepaid expenses and other current assets	130,977	119,410
Assets held for sale	-	8,503
Total current assets	1,673,824	2,074,672
Property and equipment, net <sup>(3)</sup>	5,690,991	5,870,905
Intangible assets, net <sup>(3) (4)</sup>	339,493	43,610
Goodwill	81,385	81,606
Long-term prepayments, deposits and other assets	84,042	159,697
Receivables from an affiliated company	-	216,333
Restricted cash	124,773	124,736
Deferred tax assets, net	-	638
Operating lease right-of-use assets	67,290	58,715
Land use rights, net	652,052	670,872
Total assets	\$ 8,713,850	\$ 9,301,784
<b>LIABILITIES AND DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 12,458	\$ 6,730
Accrued expenses and other current liabilities <sup>(3) (4)</sup>	933,688	809,305
Income tax payable	11,345	11,610
Operating lease liabilities, current	19,431	12,761
Finance lease liabilities, current	34,442	34,959
Current portion of long-term debt, net	-	322,500
Payables to affiliated companies	253	761
Total current liabilities	1,011,617	1,198,626
Long-term debt, net	7,768,815	8,090,008
Other long-term liabilities <sup>(3) (4)</sup>	312,622	33,712
Deferred tax liabilities, net	36,980	39,677
Operating lease liabilities, non-current	56,225	55,832
Finance lease liabilities, non-current	186,131	198,291
Total liabilities	\$ 9,372,390	\$ 9,616,146

**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Condensed Consolidated Balance Sheets - continued**  
(In thousands, except share and per share data)

	<b>September 30,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
	(Unaudited)	
Deficit:		
Ordinary shares, par value \$0.01; 7,300,000,000 shares authorized; 1,404,679,067 and 1,445,052,143 shares issued;		
1,311,270,775 and 1,335,307,327 shares outstanding, respectively	\$ 14,047	\$ 14,451
Treasury shares, at cost; 93,408,292 and 109,744,816 shares, respectively	(255,068)	(241,750)
Additional paid-in capital	3,100,820	3,218,895
Accumulated other comprehensive losses	(130,469)	(111,969)
Accumulated losses	<u>(3,850,984)</u>	<u>(3,729,952)</u>
Total Melco Resorts & Entertainment Limited shareholders' deficit	(1,121,654)	(850,325)
Noncontrolling interests	463,114	535,963
Total deficit	<u>(658,540)</u>	<u>(314,362)</u>
Total liabilities and deficit	<u>\$ 8,713,850</u>	<u>\$ 9,301,784</u>

- (3) On December 16, 2022, the Macau government awarded a ten-year concession to operate games of fortune and chance in casinos in Macau (the "Concession") to Melco Resorts (Macau) Limited ("Melco Resorts Macau"), a subsidiary of Melco. The term of the Concession commenced on January 1, 2023 and ends on December 31, 2032 and Melco Resorts Macau is authorized to operate the Altira Casino, the City of Dreams Casino and the Studio City Casino as well as the Grand Dragon Casino and the Mocha Clubs. Under the Concession, Melco Resorts Macau is obligated to pay the Macau government a fixed annual premium of Macau Patacas ("MOP") 30,000 (equivalent to \$3,719) plus a variable annual premium calculated in accordance with the number and type of gaming tables (subject to a minimum of 500 tables) and electronic gaming machines (subject to a minimum of 1,000 machines) operated by Melco Resorts Macau. The variable annual premium is MOP300 (equivalent to \$37) for each gaming table reserved exclusively to certain kinds of games or players, MOP150 (equivalent to \$19) for each gaming table not so exclusively reserved and MOP1 (equivalent to \$0.1) for each electronic gaming machine.

On December 30, 2022, in accordance with the obligations under the letters of undertakings dated June 23, 2022, Melco Resorts Macau and certain subsidiaries of Melco, which hold the land lease rights for the properties on which the Altira Casino, City of Dreams Casino and Studio City Casino are located, executed a public deed pursuant to which the gaming and gaming support areas comprising the Altira Casino, City of Dreams Casino and Studio City Casino with an area of 17,128.8 square meters, 31,227.3 square meters and 28,784.3 square meters, respectively, and related gaming equipment and utensils (collectively as referred to the "Reversion Assets"), reverted to the Macau government, without compensation and free and clear from any charges or encumbrances, at the expiration of the previous subconcession in accordance with the Macau gaming law. The Reversion Assets that reverted to the Macau government at the expiration of the previous subconcession are owned by the Macau government. Under the terms of the Macau gaming law and the Concession, effective as of January 1, 2023, the Reversion Assets have been transferred by the Macau government to Melco Resorts Macau for use in its operations during the Concession for a fee of MOP0.75 (equivalent to \$0.09) per square meter of the casino for years 1 to 3 of the Concession, subject to a consumer price index increase in years 2 and 3 of the Concession and such fee will increase to MOP2.5 (equivalent to \$0.3) per square meter of the casino for years 4 to 10 of the Concession, subject to a consumer price index increase in years 5 to 10 of the Concession (the "Fee"). As Melco Resorts Macau continues to operate the Reversion Assets in the same manner as under the previous subconcession, obtains substantially all of the economic benefits and bears all of the risks arising from the use of these assets, as well as assuming it will be successful in the awarding of a new concession upon expiry of the Concession, the Company continues to recognize these Reversion Assets as property and equipment over their remaining estimated useful lives.

On January 1, 2023, the Company recognized an intangible asset and financial liability of \$239,588, representing the right to operate the Reversion Assets, the right to conduct games of fortunes and chance in Macau and the unconditional obligation to make payments under the Concession. This intangible asset comprises the contractually obligated annual payments of fixed premium and variable premiums, as well as the Fee without considering the consumer price index under the Concession. The contractually obligated annual variable premium payments associated with the intangible asset were determined using the total number of gaming tables and the total number of electronic gaming machines that Melco Resorts Macau is currently approved to operate by the Macau government. In the accompanying condensed consolidated balance sheet, the noncurrent portion of the financial liability is included in "Other long-term liabilities" and the current portion is included in "Accrued expenses and other current liabilities". The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

- (4) On June 26, 2017, the Cyprus government granted a gaming license (the "Cyprus License") to an affiliate of Melco in Cyprus (the "Cyprus Subsidiary") to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and, up until completion and opening of the integrated casino resort, a temporary casino facility) and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary is obligated to pay the Cyprus government an annual license fee for the integrated casino resort (and prior to opening of the integrated casino resort, the temporary casino) and any operating satellite casinos. The Cyprus License required the integrated casino resort to open by the extended deadline of June 30, 2023 as approved by the Cyprus government (the "Cyprus License Requirement"), failing which the Cyprus government would have been entitled to terminate the Cyprus License.

On June 28, 2023, upon fulfillment of the Cyprus License Requirement, the Company recognized an intangible asset of \$73,928 and financial liability of \$73,059, representing the right under the Cyprus License and the unconditional obligation to pay i) a minimum annual license fee for City of Dreams Mediterranean of Euros ("EUR") 5,000 (equivalent to \$5,281) per year; and ii) an aggregate annual license fee for three operating satellite casinos of EUR2,000 (equivalent to \$2,112), during the term of the Cyprus License from June 28, 2023. In the accompanying condensed consolidated balance sheet, the noncurrent portion of the financial liability of the Cyprus License is included in "Other long-term liabilities" and the current portion is included in "Accrued expenses and other current liabilities". The intangible asset is being amortized on a straight-line basis over the remaining period of the Cyprus License until June 2047.

**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Reconciliation of Net Loss Attributable to Melco Resorts & Entertainment Limited to**  
**Adjusted Net Loss Attributable to Melco Resorts & Entertainment Limited (Unaudited)**  
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss attributable to Melco Resorts & Entertainment Limited	\$ (16,303)	\$ (243,842)	\$ (121,032)	\$ (678,585)
Pre-opening costs	10,184	3,313	40,444	8,915
Property charges and other	(1,442)	696	14,445	19,595
Gain on extinguishment of debt	(80)	-	(80)	-
Income tax impact on adjustments	584	(210)	-	(598)
Noncontrolling interests impact on adjustments	(4,028)	(1,275)	(14,136)	(4,781)
Adjusted net loss attributable to Melco Resorts & Entertainment Limited	<u>\$ (11,085)</u>	<u>\$ (241,318)</u>	<u>\$ (80,359)</u>	<u>\$ (655,454)</u>
Adjusted net loss attributable to Melco Resorts & Entertainment Limited per share:				
Basic	<u>\$ (0.008)</u>	<u>\$ (0.174)</u>	<u>\$ (0.061)</u>	<u>\$ (0.465)</u>
Diluted	<u>\$ (0.008)</u>	<u>\$ (0.174)</u>	<u>\$ (0.061)</u>	<u>\$ (0.465)</u>
Adjusted net loss attributable to Melco Resorts & Entertainment Limited per ADS:				
Basic	<u>\$ (0.025)</u>	<u>\$ (0.522)</u>	<u>\$ (0.183)</u>	<u>\$ (1.395)</u>
Diluted	<u>\$ (0.025)</u>	<u>\$ (0.522)</u>	<u>\$ (0.183)</u>	<u>\$ (1.396)</u>
Weighted average shares outstanding used in adjusted net loss attributable to Melco Resorts & Entertainment Limited per share calculation:				
Basic	<u>1,311,270,775</u>	<u>1,386,720,527</u>	<u>1,315,728,852</u>	<u>1,409,983,323</u>
Diluted	<u>1,311,270,775</u>	<u>1,386,720,527</u>	<u>1,315,728,852</u>	<u>1,409,983,323</u>

**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Reconciliation of Operating Income (Loss) to Adjusted EBITDA and Adjusted Property EBITDA (Unaudited)**  
(In thousands)

Three Months Ended September 30, 2023								
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	City of Dreams Mediterranean and Other <sup>(5)</sup>	Corporate and Other	Total
Operating (loss) income	\$ (9,784)	\$ 5,981	\$ 95,238	\$ 10,074	\$ 25,681	\$ (7,794)	\$ (24,694)	\$ 94,702
Payments to the Philippine Parties	-	-	-	-	9,979	-	-	9,979
Land rent to Belle Corporation	-	-	-	-	474	-	-	474
Pre-opening costs	-	-	-	7,564	-	2,620	-	10,184
Depreciation and amortization	5,838	884	54,865	49,647	12,297	12,249	4,888	140,668
Share-based compensation	119	(33)	1,091	390	303	125	5,560	7,555
Property charges and other	-	46	2,752	57	3	(28)	(4,272)	(1,442)
Adjusted EBITDA	(3,827)	6,878	153,946	67,732	48,737	7,172	(18,518)	262,120
Corporate and Other expenses	-	-	-	-	-	-	18,518	18,518
Adjusted Property EBITDA	\$ (3,827)	\$ 6,878	\$ 153,946	\$ 67,732	\$ 48,737	\$ 7,172	\$ -	\$ 280,638

Three Months Ended September 30, 2022								
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	Cyprus Operations	Corporate and Other	Total
Operating (loss) income	\$ (18,401)	\$ 359	\$ (105,943)	\$ (66,752)	\$ 18,649	\$ 2,715	\$ (29,173)	\$ (198,546)
Payments to the Philippine Parties	-	-	-	-	8,417	-	-	8,417
Land rent to Belle Corporation	-	-	-	-	555	-	-	555
Pre-opening costs	-	-	-	699	-	2,614	-	3,313
Depreciation and amortization	5,202	1,305	59,362	33,800	13,417	1,379	7,581	122,046
Share-based compensation	136	(90)	3,787	425	288	16	5,419	9,981
Property charges and other	145	85	2,558	370	43	(1)	(2,504)	696
Adjusted EBITDA	(12,918)	1,659	(40,236)	(31,458)	41,369	6,723	(18,677)	(53,538)
Corporate and Other expenses	-	-	-	-	-	-	18,677	18,677
Adjusted Property EBITDA	\$ (12,918)	\$ 1,659	\$ (40,236)	\$ (31,458)	\$ 41,369	\$ 6,723	\$ -	\$ (34,861)

<sup>(5)</sup> Effective from June 12, 2023, with the soft opening of City of Dreams Mediterranean, the Cyprus Operations segment which previously included the operation of the temporary casino before its closure on June 9, 2023 and the licensed satellite casinos in Cyprus, has been renamed to City of Dreams Mediterranean and Other segment which included the operation of City of Dreams Mediterranean and the licensed satellite casinos in Cyprus.

**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Reconciliation of Operating Income (Loss) to Adjusted EBITDA and Adjusted Property EBITDA (Unaudited)**  
(In thousands)

**Nine Months Ended September 30, 2023**

	<b>Altira Macau</b>	<b>Mocha and Other<sup>(6)</sup></b>	<b>City of Dreams</b>	<b>Studio City</b>	<b>City of Dreams Manila</b>	<b>City of Dreams Mediterranean and Other<sup>(5)</sup></b>	<b>Corporate and Other</b>	<b>Total</b>
Operating (loss) income	\$ (20,014)	\$ 18,097	\$ 210,446	\$ (20,286)	\$ 84,131	\$ (17,222)	\$ (95,810)	\$ 159,342
Payments to the Philippine Parties	-	-	-	-	32,638	-	-	32,638
Land rent to Belle Corporation	-	-	-	-	1,436	-	-	1,436
Pre-opening costs	-	-	-	17,348	-	23,096	-	40,444
Depreciation and amortization	17,755	3,044	176,751	130,768	37,922	16,545	15,871	398,656
Share-based compensation	180	50	5,248	1,081	881	356	19,432	27,228
Property charges and other	511	76	17,670	544	(397)	(11)	(3,948)	14,445
Adjusted EBITDA	(1,568)	21,267	410,115	129,455	156,611	22,764	(64,455)	674,189
Corporate and Other expenses	-	-	-	-	-	-	64,455	64,455
Adjusted Property EBITDA	<u>\$ (1,568)</u>	<u>\$ 21,267</u>	<u>\$ 410,115</u>	<u>\$ 129,455</u>	<u>\$ 156,611</u>	<u>\$ 22,764</u>	<u>\$ -</u>	<u>\$ 738,644</u>

**Nine Months Ended September 30, 2022**

	<b>Altira Macau</b>	<b>Mocha and Other<sup>(6)</sup></b>	<b>City of Dreams</b>	<b>Studio City</b>	<b>City of Dreams Manila</b>	<b>Cyprus Operations</b>	<b>Corporate and Other</b>	<b>Total</b>
Operating (loss) income	\$ (51,146)	\$ 4,476	\$ (221,971)	\$ (188,603)	\$ 47,745	\$ 402	\$ (134,524)	\$ (543,621)
Payments to the Philippine Parties	-	-	-	-	26,878	-	-	26,878
Land rent to Belle Corporation	-	-	-	-	1,851	-	-	1,851
Pre-opening costs	-	-	-	1,512	-	7,403	-	8,915
Depreciation and amortization	16,037	3,813	179,486	101,228	45,387	4,865	49,248	400,064
Share-based compensation	845	153	12,075	2,229	1,256	527	26,775	43,860
Property charges and other	744	40	6,060	3,794	257	3	8,697	19,595
Adjusted EBITDA	(33,520)	8,482	(24,350)	(79,840)	123,374	13,200	(49,804)	(42,458)
Corporate and Other expenses	-	-	-	-	-	-	49,804	49,804
Adjusted Property EBITDA	<u>\$ (33,520)</u>	<u>\$ 8,482</u>	<u>\$ (24,350)</u>	<u>\$ (79,840)</u>	<u>\$ 123,374</u>	<u>\$ 13,200</u>	<u>\$ -</u>	<u>\$ 7,346</u>

<sup>(6)</sup> Effective from June 27, 2022, the Grand Dragon Casino, which focuses on mass market table games and was previously reported under the Corporate and Other segment, has been included in the Mocha and Other segment.

**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Reconciliation of Net Loss Attributable to Melco Resorts & Entertainment Limited to**  
**Adjusted EBITDA and Adjusted Property EBITDA (Unaudited)**  
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss attributable to Melco Resorts & Entertainment Limited	\$ (16,303)	\$ (243,842)	\$ (121,032)	\$ (678,585)
Net loss attributable to noncontrolling interests	(20,492)	(42,780)	(67,568)	(124,553)
Net loss	<u>(36,795)</u>	<u>(286,622)</u>	<u>(188,600)</u>	<u>(803,138)</u>
Income tax expense (benefit)	2,021	2,028	(1,295)	4,618
Interest and other non-operating expenses, net	129,476	86,048	349,237	254,899
Depreciation and amortization	140,668	122,046	398,656	400,064
Property charges and other	(1,442)	696	14,445	19,595
Share-based compensation	7,555	9,981	27,228	43,860
Pre-opening costs	10,184	3,313	40,444	8,915
Land rent to Belle Corporation	474	555	1,436	1,851
Payments to the Philippine Parties	9,979	8,417	32,638	26,878
Adjusted EBITDA	<u>262,120</u>	<u>(53,538)</u>	<u>674,189</u>	<u>(42,458)</u>
Corporate and Other expenses	18,518	18,677	64,455	49,804
Adjusted Property EBITDA	<u>\$ 280,638</u>	<u>\$ (34,861)</u>	<u>\$ 738,644</u>	<u>\$ 7,346</u>

**Melco Resorts & Entertainment Limited and Subsidiaries**  
**Supplemental Data Schedule**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Room Statistics<sup>(7)</sup>:</b>				
<b>Altira Macau</b>				
Average daily rate <sup>(8)</sup>	\$ 138	\$ 91	\$ 136	\$ 97
Occupancy per available room	95%	37%	85%	40%
Revenue per available room <sup>(9)</sup>	\$ 131	\$ 34	\$ 116	\$ 39
<b>City of Dreams</b>				
Average daily rate <sup>(8)</sup>	\$ 193	\$ 192	\$ 202	\$ 203
Occupancy per available room	91%	20%	83%	27%
Revenue per available room <sup>(9)</sup>	\$ 176	\$ 38	\$ 168	\$ 55
<b>Studio City</b>				
Average daily rate <sup>(8)</sup>	\$ 167	\$ 107	\$ 148	\$ 114
Occupancy per available room	92%	25%	88%	27%
Revenue per available room <sup>(9)</sup>	\$ 155	\$ 27	\$ 129	\$ 31
<b>City of Dreams Manila</b>				
Average daily rate <sup>(8)</sup>	\$ 173	\$ 195	\$ 180	\$ 190
Occupancy per available room	97%	95%	96%	94%
Revenue per available room <sup>(9)</sup>	\$ 168	\$ 186	\$ 173	\$ 179
<b>City of Dreams Mediterranean and Other<sup>(9)</sup></b>				
Average daily rate <sup>(8)</sup>	\$ 375	N/A	\$ 371	N/A
Occupancy per available room	63%	N/A	62%	N/A
Revenue per available room <sup>(9)</sup>	\$ 236	N/A	\$ 231	N/A
<b>Other Information<sup>(10)</sup>:</b>				
<b>Altira Macau</b>				
Average number of table games	43	92	44	94
Average number of gaming machines	125	144	143	139
Table games win per unit per day <sup>(11)</sup>	\$ 6,686	\$ 121	\$ 6,218	\$ 722
Gaming machines win per unit per day <sup>(12)</sup>	\$ 291	\$ 85	\$ 223	\$ 131
<b>Mocha and Other<sup>(6)</sup></b>				
Average number of table games	18	25	17	25
Average number of gaming machines	892	952	880	949
Table games win per unit per day <sup>(11)</sup>	\$ 5,306	\$ 1,806	\$ 5,000	\$ 1,776
Gaming machines win per unit per day <sup>(12)</sup>	\$ 282	\$ 203	\$ 292	\$ 216
<b>City of Dreams</b>				
Average number of table games	430	443	430	449
Average number of gaming machines	629	649	635	678
Table games win per unit per day <sup>(11)</sup>	\$ 13,437	\$ 1,503	\$ 12,496	\$ 3,474
Gaming machines win per unit per day <sup>(12)</sup>	\$ 505	\$ 113	\$ 441	\$ 139
<b>Studio City</b>				
Average number of table games	246	277	246	277
Average number of gaming machines	661	702	667	711
Table games win per unit per day <sup>(11)</sup>	\$ 10,380	\$ 794	\$ 8,331	\$ 1,592
Gaming machines win per unit per day <sup>(12)</sup>	\$ 352	\$ 54	\$ 319	\$ 82
<b>City of Dreams Manila</b>				
Average number of table games	266	260	267	278
Average number of gaming machines	2,295	2,317	2,297	2,283
Table games win per unit per day <sup>(11)</sup>	\$ 3,585	\$ 2,750	\$ 3,513	\$ 2,436
Gaming machines win per unit per day <sup>(12)</sup>	\$ 238	\$ 228	\$ 241	\$ 231
<b>City of Dreams Mediterranean and Other<sup>(9)</sup></b>				
Average number of table games	103	35	60	35
Average number of gaming machines	896	451	616	455
Table games win per unit per day <sup>(11)</sup>	\$ 2,080	\$ 2,465	\$ 2,409	\$ 1,925
Gaming machines win per unit per day <sup>(12)</sup>	\$ 294	\$ 427	\$ 376	\$ 368

<sup>(7)</sup> Room statistics exclude rooms that were temporarily closed or provided to staff members due to the COVID-19 outbreak

<sup>(8)</sup> Average daily rate is calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total occupied rooms including complimentary rooms

<sup>(9)</sup> Revenue per available room is calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available

<sup>(10)</sup> Table games and gaming machines that were not in operation due to government mandated closures or social distancing measures in relation to the COVID-19 outbreak have been excluded

<sup>(11)</sup> Table games win per unit per day is shown before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis

<sup>(12)</sup> Gaming machines win per unit per day is shown before non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis