CHAIRMAN'S ADDRESS
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
FRIDAY 23 OCTOBER 2020

It is a pleasure to welcome all shareholders and visitors back to Event Cinemas George Street for this Annual General Meeting of Event Hospitality & Entertainment Limited, and to welcome those participating in the meeting online.

The conduct of this Annual General Meeting, with shareholders, friends and colleagues joining us by technology as well as in person, is unique in the Company's history. Before we discuss a year of extraordinary challenges for our businesses, I would like to briefly note that at the Annual General Meeting of Spencer's Pictures Limited in 1919, the Chairman, Arthur A. C. Cocks, pointed out that during the past financial year the earning powers of the theatres had been seriously affected by the influenza epidemic.

The current challenges facing the global cinema exhibition industry are unprecedented. We are, as ever, reliant on the supply of quality film content, particularly from Hollywood, and the major studios are reluctant to release big budget titles whilst many cinemas in the U.S. in particular are closed. A few titles have been released directly to streaming platforms, however, the blockbuster titles that bring audiences to cinemas have been delayed waiting for an exhibition release. We have invested in best practice COVID-safe environments and there is much pent up demand from our cinema goers to watch a great film at Event.

I note that our Company has endured for over a century through many challenging periods, and we are well placed to manage and respond to the challenges presented by COVID-19. The film line-up for the 2021 calendar year, underlines the great opportunity that lies ahead for those exhibitors that are able navigate through the immediate period. To this end, I reiterate the words of my late father, who once said that "the Company's best days will forever lay ahead."

The 2020 Annual Report, which includes the financial statements for the year ended 30 June 2020, was released to shareholders in September 2020. The Group's total net loss after tax for the year was $11.4 million, whilst the normalised profit after tax from continuing operations decreased 83% to $18.0 million.

As foreshadowed in July following the successful completion of our refinancing process, to assist liquidity the Group did not pay a final dividend for the year ended 30 June 2020, and will not pay an interim dividend for the half year ending 31 December 2020. Future dividend payments will be subject to Board consideration and approval having regard to all relevant circumstances including lender gearing requirements and the Group's trading performance.

The Group's total cash balance at 30 June 2020 was $67 million with total debt outstanding of $488 million, which provides headroom in terms of available liquidity following the overall increase in the Group's debt facilities to $750 million.

Event has always prided itself on the strength of its balance sheet which is underpinned by premium property holdings, and our strong balance sheet has assisted in securing the renewal and increase in our debt facilities.

The Board continues to review, assess and monitor appropriate capital management initiatives and strategies. This program is managed within the context of, in the short term, ensuring adequate liquidity is available to meet the challenges presented by COVID-19, and in the medium to long term, maintaining a strong balance sheet and maximising sustainable and long term total return to shareholders.

The Group has made significant progress with the approvals process for major redevelopments of the properties located at 458-472 George Street and 525 George Street in Sydney. The stage one development application for the 525 George Street development, which will include ground floor retail, a seven-screen cinema, a new 450-room Atura hotel and conference centre, and 72 residential apartments, was approved in May, with a design competition about to commence. The planned redevelopment of 458-472 George Street will integrate with the State and Gowings buildings and include ground floor retail, an extension of the QT Sydney hotel, and a new commercial office tower. Council approval will be sought in two separate development applications, one for the podium including the retail and hotel components, and a separate application for the commercial office tower.

The Group will consider appropriate funding options and structures for these major property developments including the potential involvement of development partners where appropriate. I refer shareholders to the recent release to the market of the property portfolio information.

The Group has been guided by the third edition of the ASX Corporate Governance Council's Principles and Recommendations during the year, and the Corporate Governance Statement has been published on the Group's website. This Statement sets out the corporate governance practices and procedures and should assist shareholders in understanding and appreciating the importance placed by the Board upon good corporate governance.

The Board, and committees of the Board, remain committed to ensuring that the Group's corporate governance practices are consistent with the Principles and Recommendations, the fourth edition of which will be applied for the year ending 30 June 2021.

The Board also focuses on maintaining an appropriate approach to remuneration, and details of this approach are detailed within the Annual Report. In particular, the Group's policies are designed to, as far as possible, ensure that the remuneration package is reflective of an executive's duties and responsibilities and to enable the Group to attract, motivate and retain high calibre executives.

In considering appropriate remuneration for executives, the Board resolved to implement a one-off recognition and retention award to recognise the additional effort required from the CEO and her executive team during the COVID-19 response period and during the recovery period and the importance of retaining the executives during this critical period. The recognition and retention award for the CEO will be considered by shareholders later in the meeting.

In my 40 years as chairman, I have never experienced more challenging conditions than we face today. COVID-19 has turned the world in which our businesses operate upside down. The return to normality for our cinema exhibition business is subject to global theatrical market conditions, and our hotel and Thredbo businesses will continue to be subject to the relaxation of Government restrictions. These critical factors are beyond our control.

Your Board and management continue to focus on optimising the Group's position so it can effectively navigate through this period, and in the longer term be able to take advantage of appropriate opportunities as they arise.

I and the Board acknowledge the outstanding efforts of the CEO, especially in the leadership shown in responding to the impact of COVID-19 on our operating businesses, which I am confident will provide a strong platform for the future. To the rest of the executive team and all Group employees I extend our thanks for their personal and collective efforts. We are proud to have such a depth of experience and recognise the contribution you have made which has been and will continue to be invaluable as we face the challenges of COVID-19.

Difficult decisions have seen many of our valued employees leave us, and to them and their families I express my appreciation for their past support.

I would also like to thank my co-directors for their efforts during the year and particularly thank our 8,000 shareholders for your on-going support.

I will now ask Jane to present her address. Thank you.

Alan Rydge
Chairman

CHIEF EXECUTIVE OFFICER'S ADDRESS
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Thanks Alan and good morning.

The past year has been an unprecedented period in the 110-year history of the Event Group. From droughts to bushfires, from floods to COVID-19, we have and continue to face challenges daily. I could not be more proud of how well our teams have responded and continue to step up to deliver shareholders the best possible results. We are challenge fit, scenario ready and agile so we can pivot as these challenging market conditions continue to evolve. This is a monumental achievement.

As Alan mentioned, we have a strong balance sheet, underpinned by a valuable property portfolio. We successfully increased our debt facilities in July to $750 million with the majority maturing in 2023, our net debt at June 30 was $421 million.

Safety and wellbeing remain the Group's highest priority. We implemented best in class COVID-safe operating practices with advice from infectious disease experts. Our cinema customer satisfaction scores have improved significantly, with our net promoter scores up 30 points in Australia and up 14 points in New Zealand since we re-opened. This ensures that as COVID-19 Government mandated restrictions lift for our businesses, we are ready.

Turning now to the results for the year ended 30 June 2020, our normalised profit before AASB 16, interest and tax for the year was $34 million, down 78.5% on the prior year principally as a result of the impact of COVID-19.

Pre-COVID-19, we made solid progress on delivering against our Strategic Plan achieving Group revenue, EBITDA and PBIT growth. In fact, the adjusted EBITDA result was the second highest EBITDA result in the Group's history for the period from July to February.

Then COVID-19 hit and the Government mandated restrictions almost entirely wiped out revenue overnight, which was down $262 million before subsidies in the last four months of the financial year. We took swift and effective action to mitigate the impact on cash flow and profitability. We were proactive in developing operating models to deal with each phase of Government restrictions and identified ways to innovate and take advantage of scarce revenue sources.

As an example, we initiated an active cost reduction program, with all cost categories under review, and participated in Government subsidy arrangements where applicable, all of which mitigated 53% of the revenue decline for the COVID-19 period.

The statutory loss after tax (excluding AASB 16 adjustments) for the year of $48 million after tax includes a number of individually significant items, principally impairment charges, including hotel property impairments in respect of QT Perth, QT Gold Coast, Rydges Plaza Cairns, the seismic-impacted wings at Rydges Queenstown, and cinema impairments for a number of cinema sites which had been underperforming for many years. A number of impairments were also booked for the Village Joint Venture sites in Melbourne.

The Entertainment Group delivered a strong result pre-COVID-19 and has maximised efficiencies during the COVID period which will deliver benefits into the future.

For the period from July 2019 to February 2020, we achieved good revenue growth of 5.4% on the prior comparable period across Australia and New Zealand, and market box office performance in the July to February period was the best result since the year ended 30 June 2017.

Results from new initiatives during this period were exceeding expectations and whilst admissions were relatively flat, all other key performance indicators demonstrated strong growth, including growth in average admission price of 5%, and a record spend per head was achieved in seven out of eight months as a result of our enhanced food & beverage strategy. We also continued to achieve strong growth in online revenue, up 19.4%. Our direct customer relationships remained exceptionally strong with Cinebuzz representing more than 86% of online transactions in Australia. Our strategy was working as demonstrated by the results.

In New Zealand, revenue for the pre-COVID-19 period was particularly strong, increasing 15.0%. The Group outperformed the New Zealand market, achieved a record revenue and earnings result for this period, and all key metrics delivered strong growth.

We had great momentum, and then COVID-19 hit, resulting in Government-mandated closure of cinemas in all our markets. New operating models were developed and swift cost reduction actions were implemented.

We had made solid progress against our Entertainment strategy to maximise our assets by investing in fewer-better locations and innovating with our cinema of the future concepts, expanding our premium cinema offerings at key locations across Australia and New Zealand.

All of these initiatives were completed over the pre-COVID-19 period, so the benefits were not fully reflected in the pre-COVID-19 results.

As part of the continuing strategy to improve our asset portfolio, we closed Mackay City cinema, and exited leases at Cronulla and Manuka. Subsequent to year-end, we have also confirmed the closure of Adelaide City, Arndale, and Townsville City. All of these were cinemas that had been loss making for many years.

In relation to the Entertainment Germany division, the completion of the sale of the division to Vue is still in progress and is subject to the divestment of five remaining sites as directed the Federal Cartel Office ("FCO").

As recently announced, the sale process for the remaining five sites is well advanced with a shortlist of three parties, all of which have received in-principle approval from the FCO subject to final review and approval of the transaction documents.

Whilst the Sale and Purchase Agreement with Vue was conditional only on FCO approval being obtained, Vue has sought to renegotiate the terms of the transaction and put a pause on the divestment process for the remaining five sites. We remain in discussions with Vue whilst continuing to reserve our full legal rights in relation to the transaction.

The Pre-COVID-19 period in Germany from July to February was very strong with revenue increasing 15.3%. During this period, the overall German market experienced a solid recovery with German market admissions up 15.9%. All key metrics for the German circuit were also favourable.

All locations were closed in March 2020 as a result of the German Government directive to close cinemas in response to COVID-19, and as with our Australian and New Zealand divisions, immediate action was taken to reduce costs and efficiently maintain assets with costs down more than 40% excluding benefits from rent negotiations.

Turning now to our Hotels and Resorts division, the result was also defined by two distinctly different trading periods; the pre-COVID-19 July 2019 to February 2020 period, and the COVID-19 impacted period from March to June 2020.

Looking at the pre-COVID-19 period, despite the impact of the Australian bushfires and restrictions on inbound tourism from China which disrupted markets from December 2019, the Group traded well in the pre-COVID-19 period, with revenue down marginally, adjusted EBITDA and normalised PBIT slightly above the prior comparable period.

Over this period, owned hotel occupancy increased by 2.7 points and revenue per available room (revpar) increased by 3.2%. We generated strong market share, trading ahead of market in many of the markets we operate in. Pleasingly, our overall Trip Advisor Rankings also improved across the Group.

During the COVID-19 period, from March 2020 to June 2020, there was a deterioration in trading conditions as a result of Government-mandated COVID-19 travel restrictions imposed globally and throughout Australia and New Zealand.

In response, we innovated and shifted our revenue strategy to focus on securing revenue from new market segments including Government quarantine business, ‘work from hotel’ business for customers wanting to self-isolate, and our strong brands benefited with weekend leisure business from the local drive market.

The ability to secure revenue and the introduction of new operating models enabled the Group to keep all owned and the majority of managed hotels open in a manner that produced more favourable results than closing the hotels. Best in class COVID-19 programmes were also designed for each brand.

The restructuring undertaken during the COVID-19 period and the new operating model implemented are expected to deliver ongoing annual savings in excess of $3 million.

We made good progress with our strategy to invest in priority assets with upgrades completed to guest suites, shared spaces and the pool area at QT Gold Coast, guest rooms, suites and lobby at QT Sydney, additional meeting spaces at QT Melbourne, and the public areas, restaurant, bar and pool areas were upgraded at Rydges Geelong.

In addition, Rydges Capital Hill was closed in February due to severe storm damage, and recently reopened in September as Rydges Canberra after the completion of a multi-million dollar refurbishment.

We sold Rydges Townsville, but retained the property under a licencing arrangement. We also secured two other licenced hotels Powerhouse Tamworth and Powerhouse Armidale.

We were also successful in winning management contracts for Rydges Sydney Harbour (formerly the Holiday Inn at The Rocks) and Rydges Port Adelaide, a new 180 room hotel opening mid-2022. We have recently added two new hotels to our portfolio including a management agreement for Rydges Formosa Golf Resort, located outside of Auckland in New Zealand, and we have secured a licence agreement for The Tank Stream Hotel in Sydney’s CBD.

QT Auckland – the 10th QT in the Group – is planned to open in November with 150 rooms and the property is looking fantastic. This hotel is well positioned in Auckland's Viaduct and offers a differentiated experience in the Auckland market. We will also be launching the ATURA brand in the New Zealand market, rebranding The Thorndon Hotel as an ATURA and we are excited to expand this brand into New Zealand.

Now turning to Thredbo Alpine Resort. So many challenges have been faced over the past 12 months, from the direct threat of bushfires requiring a full evacuation of the Resort, to the heavily mandated COVID-19 Government restrictions in place in order to enable Thredbo to operate this snow season. Despite this, our Thredbo team have been incredible in pivoting to exceed expectations throughout a challenging period.

We achieved a record revenue result in November and December driven by a 36% increase in mountain biking revenue, before bushfires temporary closed the resort in early January 2020.

Second half results were negatively impacted by bushfires in January and February, however, we managed to open Thredbo for mountain biking after the bushfires in January and pre-COVID in March. The demand for weekends in that period was immediate and broke records demonstrating how strong and fast recovery can be.

Government-mandated restrictions delayed the opening of the 2020 snow season to 22 June, losing three weekends.

Despite these headwinds, the normalised PBIT result was the third highest in Thredbo's history.

We were also able to make good progress during the year on the Thredbo Strategic Plan focussed on increasing capacity and improving the skier experience. This included the construction of the Merritts Gondola – Australia's first Alpine Gondola – which despite challenges was completed on time and within budget. We also enhanced the Dream Run introducing snow making capabilities. Summer 2020-21 will see the continuation of the construction of a new green run mountain bike trail with development planning continuing for future lift replacements.

I will now comment on the current year and our performance over the first quarter.

Due to the continued impact of COVID-19 and Government mandated restrictions, the Group's net loss for the first quarter after tax including discontinued operations but before AASB 16 was $23.6 million, and Group EBITDA including discontinued operations but before individually significant items and AASB 16 was a loss of $6.9 million. Excluding discontinued operations, the Group EBITDA result was a profit of $15.6 million. Pleasingly, Property, Thredbo and our Hotels divisions all delivered positive EBITDA results, whilst Entertainment solely due to film line-up delays resulted in EBITDA losses in each market.

Thredbo, despite COVID-19 operating requirements and poor winter conditions restricting capacity by more than 50%, achieved an EBITDA of $24.4 million, which was only 18% off prior winter. To achieve this solid result, the Thredbo offer including all products, services and pricing was re-engineered to ensure we were able to attract strong demand and maximise visitation for our commercial partners in the village and deliver a positive return for the Group. These changes were implemented within an incredibly tight timeframe at the highest standard. We maximised available capacity in a COVID-safe manner, delivered a premium experience for customers and yield was up 66.4%. These initiatives also resulted in a 1.5% EBITDA margin improvement on the prior comparable quarter. This was an exceptional result.

The Group's Hotels and Resorts division also pleasingly made a positive EBITDA contribution for the first quarter of $4.1 million. Our strategy and ability to secure scarce revenue opportunities is working. In Australia, the domestic leisure market is also showing good levels of demand and this has been particularly evident on weekends and in regional locations. The October long weekend was the busiest weekend for our hotels since January. In New Zealand, the market is showing stronger signs of recovery with good occupancy given no domestic travel restrictions are in place. This was a solid result for our Hotels division given State Government interstate border closures, no international travel and no Trans-Tasman bubble eventuating in this quarter. We believe that being a local operator, with strong local brands and marketing systems gives us a unique competitive advantage and this has been evident in our market share results. In addition, our new operating models are mitigating margin impacts with pleasing profit retention and recovery ratios recorded across the Group.

Our property division delivered a first quarter EBITDA result of $2.7 million, down around 30% as a result of the impact of COVID-19 on rental income receivable from our tenants for certain properties. As Alan has highlighted, we have made good progress on our two major development projects, 458-472 George Street and 525 George Street. The COVID-19 impact has not delayed our progress on these projects.

The Group's Entertainment division result was impacted in the first quarter due to two main factors: the Victorian lock-down directly impacting our Village Joint Venture circuit, and a continued delay of film releases by major studios. As a result, EBITDA for Entertainment Australia and New Zealand was a loss of $12.8 million. However, I wanted to highlight some key facts:

- More than 85% of international markets have re-opened.
- Markets that have a strong supply of local content are recording better than pre-COVID-19 attendances for local films, for example *Savage* in New Zealand, 800 in China, which had the best week since February 2019 last week.
- In our markets, smaller films are being released and exceeding expectations such as *After We Collided* ($3.1m) and *Unhinged* ($3.5m) in Australia and New Zealand.
- The majority of films released in the quarter have exceeded pre-COVID-19 estimates.
- All customer demographics have returned to the cinema attending in a similar pattern to prior year, taking into account the number of films released.
- There was limited impact from COVID operating restrictions on box office performance due to our ability to programme across multiple screens and the limited number of releases. Independent distributors have been leveraging this opportunity well.
- COVID-Safe operations have been well implemented and customer satisfaction scores are up 30 points in Australia and up 14 points in New Zealand.
- Customers are spending more at the cinema and with an increased preference for premium experiences.

The data demonstrates that Cinemas are lacking movies and not customers.

Our Group three-year strategic plan and priorities remain unchanged as they were delivering results and will continue to deliver results when COVID-19 Government restrictions are lifted. However, parts of this plan are on hold until trading has normalised.

This year we are focussed on being agile and able to pivot to deliver shareholders the best results in a highly restricted COVID-19 market.

For the Group and within each division we remain focussed on our three strategic priorities for each of our operating businesses:

1. growing existing revenue, including ensuring COVID safe operating procedures, enhanced sales models and structures, product innovation, and yield management;
2. maximising asset performance, including the divestment of non-core assets, and the continued planning and preparation for our major property developments, whilst other major upgrade projects will be deferred until more normal trading conditions return; and

3. business transformation, including continuing to refine and enhance our new operating models, investing in our IT environment to drive efficiencies, and continued strict cost control.

COVID-19 and Government mandated restrictions make it impossible to provide an outlook given the changes that are occurring daily. However, I will aim to provide some insight into each division based on what we know today.

Looking ahead for cinema, studios have moved all major film releases that were expected in the remainder of the first half with the majority of titles moving to the second half or later in 2021 as a result of the continued COVID-19 disruption in the US. At this point in time, whilst we are hopeful *Wonder Woman 1984* will release in December, we are preparing our operations for no major releases through until the end of March.

With no major releases, we are working to a 'better than closed' operating model, screening second-tier films and sourcing alternative content to generate revenue. We are trialling more ways to generate new revenue from cinema spaces including arcade game options and venue hire. We also continue to refine our cost base including working with our landlords to find ways to best mitigate losses. Whilst the film line up continues to move, the first half result will be an EBITDA loss in all markets we operate in. We are prepared for the immediate period by actively managing all that can be controlled.

As we stand here today, the 2021 calendar year is on paper shaping up to be one of the strongest, with many blockbuster titles including the new Bond title *No Time to Die*, *Fast & Furious 9*, *Jurassic World: Dominion*, the Marvel titles *Black Widow*, *Eternals*, and *Shang-Chi and the Ten Rings*, *Minions 3*, *Venom 2*, *Top Gun: Maverick* and *The Batman*.

For Hotels, in terms of trading, our operating models are ready for an irregular pattern of recovery due to changing Government-mandates relating to COVID-19. Whilst we cannot predict when Government will change travel restrictions, we believe that the Hotels and Resorts division, with our success in securing new revenue segments and focussed cost strategies, will break-even or be EBITDA positive for the first half.

In Thredbo, the positive feedback and result from the winter season strategies, and the pent-up demand for leisure travel and activities, all bodes well for Thredbo to continue to maximise its summer mountain biking revenue streams. Whilst we are performing exceptionally well given the COVID-19-mandated restrictions, we will not return to pre-COVID-19 revenue levels until Government restrictions are lifted.

In terms of relevant Government subsidies, we qualify for the next round of JobKeeper covering the October – December period across our Entertainment business and Rydges Hotels and QT Hotels. Atura Hotels and Thredbo will not qualify for the next round of JobKeeper given first quarter trading. There is no support accessible for our businesses in New Zealand. In Germany, we expect to continue to qualify for short-time pay which will assist in subsidising the payroll costs for certain permanent employees.

Overall, whilst the markets and industries we operate in continue to change on a daily basis as COVID-19 Government mandates continue to evolve, based on what we know today, we expect the Group to deliver an EBITDA loss for the first half.

There is a lot of pent-up demand for our businesses and we continue to see green shoots as Government restrictions ease. We are agile and able to respond well to changing market conditions. We have designed and implemented best in class COVID-19 operating practices. We are focussed on managing the immediate head winds and the changes we have made to date will deliver benefits into the future.

I would now like to take the opportunity to acknowledge and thank our capable and experienced team who continue to dedicate themselves through the most challenging period in the Company's history. We have had to make tough decisions, none of which have been made lightly. We do not underestimate the energy, commitment and skill you bring daily to ensure the best possible outcomes for shareholders. I would also like to recognise and thank your families, partners and friends for their understanding of the extended time you have committed to Event and for supporting you. Times like these demonstrate how important a strong culture is and I am very proud of how we continue to rally together to face unprecedented challenges and explore new possibilities.

I also want to recognise all of our frontline staff for their understanding, flexibility and passion for learning new ways to operate, ensuring our COVID-19 practices are delivered and therefore, delivering the best customer experiences every day as this is what counts the most.

I would also like to thank you all for your support and interest in attending and participating online in this morning's meeting.

Jane Hastings
Chief Executive Officer