



FY21 AGM Presentation

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The Year in Review

Maintained prudent cost control and balance sheet protection

- Donaco's operations, DNA Star Vegas (Star Vegas) and Aristo International Hotel (Aristo), were largely affected by C-19.
- Star Vegas operated for 7 months of the year until April 2021 and Aristo remained open on a limited basis, due to restrictions related to the pandemic.
- The outbreak affected revenue and EBITDA resulting in FY21 revenue of A\$10.32 (FY20: A\$53.39m) and negative EBITDA of A\$0.07m (FY20: A\$10.38m).
- Despite opening on a limited basis, Aristo achieved positive EBITDA of A\$0.30m in the first three months of FY22, demonstrating the strength of the asset.
- The Board and Management team continued to execute disciplined cost control underpinned by a strengthened balance sheet.
- Settlement of the Loan Facility with main lender Mega Bank was reached, with final payment made in December 2021.
- Positive long-term business outlook with proliferation of vaccines globally, and across South-East Asia, as well as increased tourism infrastructure spend emerging in the region.

Encouraging long term outlook, Mega Bank Facility settled, and improving broader business conditions

FY21 Achievements

1. Cost control strategy and strategic initiatives to preserve Star Vegas and Aristo

- Disciplined cost control led to a reduction in operating expenses and corporate costs.
- Reached monthly cash burn target of approx. A\$550,000, in line with targeted range.
- Aristo achieved positive EBITDA of A\$0.30m in the first three months of FY22, despite operating at a limited capacity due to COVID-19 restrictions.
- Adjusted service provider agreements for improved outcomes; i.e. restructured gaming machine arrangements, introduced retail outlets and reorganised arrangements with junket operators.

2. Successfully settled all legal cases with Thai Vendor in relation to Star Vegas

3. Mega Bank debt paid off post year end

- Loan Facility with its main lender, Mega Bank, settled on 30 December 2021 with USD\$1.8m payment.
- Donaco has fully repaid the initially borrowed amount of USD\$120m.
- Debt reduction as a means to preserve shareholder value.
- Despite swiftly paying down Loan Facility, Donaco maintained a healthy cash position of A\$4.4 million as at 31 December 2021.



FY21 Group Results

FY21 Group Result Summary

- Strategic initiatives executed and proactive cost control strategy to navigate through the pandemic.
- However C-19 heightened in 2H FY21 resulting in revenue of A\$10.32m (FY20: A\$53.49m) and negative EBITDA of A\$0.07m (FY20: A\$10.38m).
- Disciplined cost control management led to a reduction in operating expenses to A\$6.92m in FY21 (FY20 A\$37.55m) and to A\$3.46m (FY20 A\$5.49m) respectively.
- Statutory net profit after tax of A\$25.18m in FY21 (FY20 A\$58.89m), as a result of the non-competition settlement in relation to Star Vegas.

All figures in AUD (millions)	FY21	FY20
Group Revenue	10.3	53.5
<i>Star Vegas</i>	9.1	39.7
<i>Aristo International Hotel</i>	1.2	13.7
<i>Corporate Operations</i>	0.0	0.0
EBITDA	(0.07)	10.3
<i>Star Vegas</i>	4.2	11.0
<i>Aristo International Hotel</i>	(0.9)	4.9
<i>Corporate Operations</i>	(3.5)	(5.5)
Statutory NPAT	25.2	(59.0)
Underlying NPAT¹	(12.7)	(6.3)

1. Underlying NPAT excludes non-recurring items and net exchange losses.

Non-Recurring Items

- FY21 Non-recurring items include:
 - A\$8.4m DNA Star Vegas casino license impairment expense;
 - A\$50.9m (as at 30 June 2021 average rate) which includes settlement proceeds relating to non-competition and non-solicitation clauses in the Share Sale Agreement;
 - A\$4.0m (as at 30 June 2021 average rate) which includes interest expense on the settlement;
 - A\$0.2m in non-recurring legal costs relating to litigation matters and loan refinancing;
 - A\$0.4m write-off of trade & receivables; and
 - A\$0.0m net foreign exchange loss.
- Non-cash income of A\$50.9m from Star Vegas settlement, equating to a net positive outcome of A\$37.9m.

All figures in AUD (millions)	FY21	FY20
Star Vegas license impairment	(8.4)	(50.3)
Settlement proceeds	50.9	-
Settlement interest	(4.0)	-
Legal costs	(0.2)	(2.0)
Trade & other receivables	(0.4)	(0.2)
Net Exchange Gain/(Loss)	(0.0)	(0.1)
Total	37.9	(52.6)



Outlook

Positive trend in H1 FY22

- Despite opening on a limited basis, Aristo turned to positive EBITDA of A\$0.30m in the first three months of FY22, demonstrating the strength of the asset.
- EBITDA improvement driven by strategic initiatives executed and proactive cost control strategy to navigate through the pandemic.
- Mega Bank Loan Facility fully repaid from the original borrowed amount of USD\$120m.
- Continued execution on disciplined cost control underpinned by a strengthened balance sheet.
- Cash position of A\$4.4 million as at 31 December 2021.



Outlook

- Strategy for FY22 building on Donaco's pragmatic initiatives, including the shift towards clientele from the local regions.
- Aristo achieving positive EBITDA in tough conditions demonstrates the strength of Donaco's assets in the long-term.
- Increasing vaccination rates in Thailand and Cambodia have led both countries' Governments to target easing of travel restrictions during H2 FY22.
- In late October, the Vietnamese Government approved the construction of Sapa airport, as the economy seeks to rebound from COVID-19. Sapa airport will be built over the next 3-4 years in Lao Cai, the region where Aristo is located, with capacity of 1.5 million passengers a year.
- With the settlement of the Loan Facility with its major lender, increasing operational efficiency due to the prudent cost control strategy, and an improving COVID-19 outlook in the region; Donaco is positioned for long term growth.



An Artist's Impression Of Sapa Airport. Source: Vietnam Government Portal

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Normalised results adjust the revenue received from the VIP table games business, by applying a theoretical win rate of 2.85% to VIP rolling chip turnover. This provides a more accurate guide to the underlying operating performance of the VIP table games business, which can experience significant volatility over shorter periods. This is consistent with the practice of Asian listed gaming operators.