



FY22 Investor Presentation

30 August 2022

Lee Bug Huy
Chief Executive Officer

Gordon Lo
Chief Financial Officer



FY22 in Review

Continued cost control strategy for balance sheet protection

- Donaco's operations, DNA Star Vegas (Star Vegas) and Aristo International Hotel (Aristo), were severely impacted by C-19 as the casinos were largely closed throughout FY22. Star Vegas was shut for the full year and Aristo was open on a limited basis.
- The outbreak resulted in FY22 revenue of A\$2.44m (FY21 A\$10.32m) and negative EBITDA of A\$4.41m (FY21 A\$0.07m).
- Nonetheless, Donaco successfully repaid its full Loan Facility with main lender Mega Bank.
- A disciplined cost control strategy was also executed to preserve the balance sheet.
- Following the positive news of Star Vegas reopening in June 2022, the Company received a ~A\$7 million loan facility, to assist in the transition towards the casino's full operational capacity, and to guarantee a healthy position going forward.
- While Donaco remains vigilant on C-19, broader conditions are improving, confirmed by the reopening of Star Vegas, and Aristo appointed as the only 5-star hotel in the Lao Cai province of Vietnam.
- Favourable long-term macro outlook as international travelling recommences across South-East Asia.

Encouraging long term outlook with improving macro trends

FY22 Achievements

1. Cost control strategy and strategic initiatives

- Disciplined cost control to preserve Star Vegas and Aristo, leading to a reduction in operating expenses and corporate costs.
- Reached monthly cash burn target rate.
- Adjusted service provider agreements for improved outcomes; i.e. restructured gaming machine arrangements, introduced retail outlets and reorganised arrangements with junket operators.

2. Continued Balance sheet protection

- Loan Facility with main lender, Mega Bank, settled on 30 December 2021, following the full repayment of the initial borrowed amount of A\$131.54m (equivalent to USD\$100m).
- Approval of a ~A\$7 million (US\$5 million) loan facility from Mr Lee Bug Huy, CEO and Executive Director of Donaco to assist in the transition towards Star Vegas's full operational capacity, and to guarantee ongoing financial stability.
- Healthy cash position of A\$6.1m as at 30 June 2022.

3. Encouraging FY23 outlook

- Star Vegas resumes operations.
- Aristo strategy shifts to also include clientele from the local region.
- Aristo selected as the only 5-star hotel in the Lao Cai province of Vietnam.
- The construction of the new Sapa airport in Lao Cai, close to Aristo's operations, presents a major opportunity to attract new customers in the long term.
- Broader macro conditions improving, with rising infrastructure spend and travel recommencing.



FY22 Group Results

FY22 Group Result Summary

- The C-19 situation resulted in FY22 revenue of A\$2.44m (FY21 A\$10.32m) and negative EBITDA of A\$4.41m (FY21 A\$0.07m).
- Disciplined cost control management led to a reduction in Group operating expenses and corporate costs, reduced to A\$4.10m (FY21 A\$6.92m) and A\$2.74m (FY21 A\$3.46m) respectively.
- Statutory net loss after tax of A\$16.49m (FY21 A\$25.18m) related to the Star Vegas settlement.

All figures in AUD (millions)	FY22	FY21
Group Revenue	2.4	10.3
<i>Star Vegas</i>	0.9	9.1
<i>Aristo International Hotel</i>	1.5	1.2
<i>Corporate Operations</i>	0.0	0.0
EBITDA	(4.4)	(0.1)
<i>Star Vegas</i>	(1.5)	4.2
<i>Aristo International Hotel</i>	(0.2)	(0.9)
<i>Corporate Operations</i>	(2.7)	(3.5)
Statutory NPAT	(16.5)	25.2
Underlying NPAT¹	(14.3)	(12.7)

1. 1H21 Underlying NPAT excludes non-recurring items and net exchange losses.

Non-Recurring Items

- FY22 Non-recurring items include:
 - , A\$48.6k in non-recurring legal costs relating to loan refinancing matter in FY21;
 - , A\$0.7m write-off of trade & receivables; and
 - , A\$1.4m net foreign exchange loss.

All figures in AUD (millions)	FY22	FY21
Star Vegas license impairment	-	(8.4)
Settlement proceeds	-	50.9
Settlement interest	-	(4.0)
Legal costs	(0.0)	(0.2)
Trade & other receivables	(0.7)	(0.4)
Net Exchange Gain/(Loss)	(1.4)	(0.0)
Total	(2.2)	37.9

Group Balance Sheet

- Fully repaid Loan Facility with main lender Mega Bank.
- Net debt to equity increased to 7% from the previous 3% ((borrowings – cash) / debt).
- Cost control measures in place, with cash burn of approx. A\$18k per month (taking all net cash flow activities into account). Excluding net cash flow from financing activities, cash burn rate of A\$533k.
- Continued focus on balance sheet protection and rigorous capital management.
- Solid cash balance of A\$6.1m as at 30 June 2022.

All figures in AUD (millions)	FY22	FY21	% Change
Cash and cash equivalents	6.1	6.3	-3.2%
PP&E	170.4	171.0	-0.4%
Intangibles (including licenses)	20.1	19.0	5.8%
Other Assets	2.6	2.8	-7.1%
Total Assets	199.2	199.1	0.1%
Borrowings	16.9	11.1	52.3%
Trade and other payables	18.2	16.2	12.3%
Other liabilities	10.2	9.1	12.1%
Net Assets	153.9	162.7	-5.4%

Cash flow

- C-19 continued to impact FY22 operating cash flow, reduced to negative A\$5.7m compared to negative A\$4.5m in pcp.
- Cash outflow from financing of A\$4.6m includes A\$14.4m proceeds from borrowings and A\$9.7m repayment of borrowings (US\$6.8m Mega Bank repayment, US\$0.3m Lao Cai local bank loan repayment and the rest is effects of exchange rate).

All figures in AUD (millions)	FY22	FY21
Cash flow from Operations	(5.7)	(4.5)
Cash flow from Investing	(0.0)	(0.2)
Cash flow from Financing	(4.6)	(1.5)
Net Increase (decrease)	(1.1)	(6.3)
Effects of exchange rate	(0.9)	(0.0)
Cash at end of the financial year	6.1	6.3

Star Vegas – Profit & Loss

- Star Vegas was closed from 27 April 2021 following the order from the Cambodian local Government for the temporary closure of all casinos in the Banteay Meanchay region.
- The casino reopened recently on 18 June 2022. Recovering average daily headcount as the land border between Cambodia and Thailand has now reopened.
- Keeping costs down has remained Donaco's priority, leading to a reduction in operational expenses by 51.0%.

All figures in AUD (millions)	FY22	FY21	% Change
Total Revenue	1.0	9.1	-89.5%
- Net Gaming Revenue	0.8	8.7	-91.1%
- Non-Gaming Revenue	0.2	0.4	-49.7%
Operating Expenses (excl. non-recurring items)	(2.4)	(4.9)	-51.0%
EBITDA (excl. non-recurring items)	(1.5)	4.2	-135.7%
Normalised EBITDA (excl. non-recurring items)	(1.6)	1.0	-260.0%
Property Level NPAT	(7.9)	(6.9)	14.5%
VIP Gross Win Rate	4.11%	4.48%	-0.37%

All figures in AUD (millions)	FY22	FY21
VIP Table Game Turnover	10.9	213.5
Gross Gaming Revenue – Table Games	0.6	10.4
Gross Gaming Revenue – Slot Machines	0.5	4.9
Net Gaming Revenue	0.8	8.7
Non-Gaming Revenue	0.2	0.4
VIP Gross Win Rate	4.11%	4.48%
Casino Visitors	10,855	65,475
Average Visitors / Day	835	271

Aristo – Profit & Loss

- The casino, located in Vietnam, was affected by the drop in foreign visitors as the border with China remains closed.
- Average daily visitations reduced by 7.7%, VIP turnover by 100%. Nonetheless, net revenue increased by 23.9%.
- Aristo reported a negative EBITDA of A\$0.2m, compared to negative EBITDA of A\$ 0.9m in FY21. This improvement demonstrates the strength of the asset in the long term, as it shifted its focus on attracting clientele from the local region.
- As with Star Vegas, robust cost control measures were implemented, with operating expenses decreasing by 18.2% from pcp.

All figures in AUD (millions)	FY22	FY21	%Change
Total Revenue	1.5	1.2	23.9%
- Net Gaming Revenue	1.2	0.9	39.7%
- Non-Gaming Revenue	0.3	0.3	-18.8%
Operating Expenses (excl. non-recurring items)	(1.7)	(2.1)	-18.2%
EBITDA (excl. non-recurring items)	(0.2)	(0.9)	77.4%
Normalised EBITDA (excl. non-recurring items)	(0.2)	(0.7)	129.0%
Property Level NPAT	(3.5)	(4.2)	17.5%
VIP Gross Win Rate	0.0%	1.88%	-1.88%

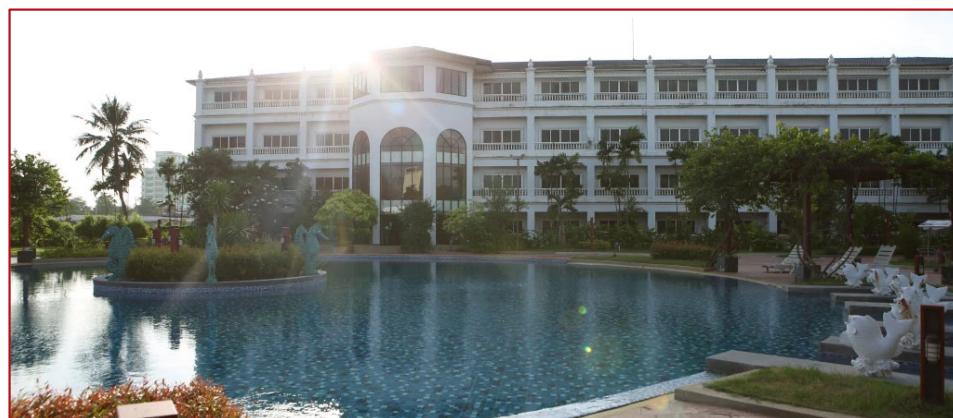
All figures in AUD (millions)	FY22	FY21
VIP Table Game Turnover	0.0	25.2
Main Hall Turnover	42.5	58.7
Gross Gaming Revenue – Table Games	2.1	2.5
Gross Gaming Revenue – Slot Machines	0.3	0.1
Net Gaming Revenue	1.2	0.9
Non-Gaming Revenue	0.3	0.3
VIP Gross Win Rate	0.0%	1.88%
Casino Visitors	4,284	4,823
Average Visitors / Day	12	13



Outlook

Outlook

- Encouraging outlook for FY23 with the reopening of Star Vegas, progressively advancing towards full operational capabilities over the coming months.
- Positive macro trends with broader industry conditions improving – high vaccination rates led to a number of countries reopening their borders, and to an increase in tourism infrastructure spend.
- Sapa airport, to 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 – presents a major opportunity for Aristo to attract new customers.
- Continued focus on balance sheet protection and cost control going forward to mitigate the impacts from C-19.
- Donaco is in a solid position to achieve sustainable long-term growth as life and travel patterns gradually return to normal.



Important notice and disclaimer

The following disclaimer applies to this presentation and any information provided in this presentation (the Information). You are advised to read this disclaimer carefully before reading or making any other use of this presentation or any Information.

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, reliability or correctness of the Information, opinions and conclusions, or as to the reasonableness of any assumption contained in this document. By receiving this document and to the extent permitted by law, you release Donaco International Limited (Donaco), and its officers, employees, agents and associates from any liability (including in respect of direct, indirect or consequential loss or damage or loss or damage arising by negligence) arising as a result of the reliance by you or any other person on anything contained in or omitted from this document.

The Information has been prepared based on information available to Donaco at the time of preparation. Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, prices, reserves, potential business growth, industry growth or other trend projections, and any estimated company earnings or other performance measures for Donaco, are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties, many of which are outside the control of, and are unknown to, Donaco and its officers, employees, agents or associates. Actual results, performance or achievement may vary materially from any forward looking statements and the assumptions on which those statements are based, and such variations are both normal and to be expected.

The Information also assumes the success of Donaco's business strategies. The success of the strategies is subject to uncertainties and contingencies beyond Donaco's control, and no assurance can be given that the anticipated benefits from the strategies will be realised in the periods for which forecasts have been prepared or otherwise. Given these uncertainties, you are cautioned to not place undue reliance on any such forward looking statements. The Information may be changed at any time in Donaco's absolute discretion and without notice to you. Donaco undertakes no obligation to revise the forward looking statements included in this presentation to reflect any future events or circumstances.

In addition, Donaco's results are reported under International Financial Reporting Standards, or IFRS. This presentation may include references to EBITDA, EBITA, EBIT and NPAT. These references should not be viewed in isolation or considered as an indication of, or as an alternative to, measures reported in accordance with IFRS or as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

The distribution of this Information in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. This Information does not constitute investment, legal, accounting, regulatory, taxation or other advice and the Information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the Information. You are solely responsible for seeking independent professional advice in relation to the Information and any action taken on the basis of the Information. No responsibility or liability is accepted by Donaco or any of its officers, employees, agents or associates, nor any other person, for any of the Information or for any action taken by you or any of your officers, employees, agents or associates on the basis of the Information.

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.