



FY22 AGM Presentation

November 2022

Porntat Amatavivadhana
Non-Executive Chairman

Lee Bug Huy
Chief Executive Officer

Gordon Lo
Chief Financial Officer



Corporate Overview

Owner and operator of leisure and entertainment businesses across Asia Pacific region

Capital Structure

Shares on issue
1,234,700

Share Price (21.11.22)
\$0.045

Market Cap (21.11.22)
A\$66.7m

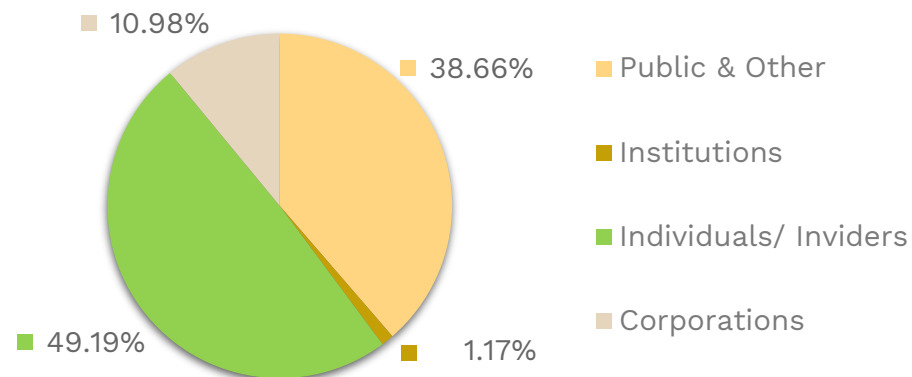
Q1 Revenue (30.09.22)
~A\$4.5m

Cash position (30.09.22)
US\$10.9m

Top Shareholders¹

	% Shares on Issue
Lee Bug Huy	21.09%
Bug Tong Lee	21.01%
Convent Fine Ltd.	4.89%
Teck Lee Tan	3.10%
Slim Twinkle Ltd.	3.08%

Ownership Structure



*As at Nov 2022, Capital IQ

FY22 in Review

Maintained balance sheet protection, and encouraging long term outlook resulting in positive EBITDA in Q1 FY23

- Donaco's operations, DNA Star Vegas (Star Vegas) in Cambodia and Aristo International Hotel (Aristo) in Vietnam, were severely impacted by C-19 as the casinos were largely closed throughout FY22. Star Vegas was shut for the full year and Aristo has been operating on a limited basis since May 2020, resulting 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. The Board and Management team also executed a disciplined cost control to preserve the balance sheet.
- Following the positive news of Star Vegas reopening in June 2022, Donaco received a ~A\$7 million loan facility, to assist in the transition towards the casino's full operational capacity.
- Encouragingly, Star Vegas delivered a strong result soon after reopening, leading to Group net revenue of A\$4.5m and positive EBITDA of A\$1.5m in Q1 FY23. The result marks Donaco's first EBITDA positive quarter since 1H FY21, with momentum expected to carry on.
- Improving broader conditions, confirmed by the recent Star Vegas performance, and Aristo appointed as the only 5-star hotel in the Lao Cai province of Vietnam.
- Positive long-term macro outlook as international travelling recommences across South-East Asia.

FY22 Achievements

1. Cost control strategy and strategic initiatives

- Disciplined cost control to preserve Star Vegas and Aristo, leading to 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

- Repaid Loan Facility with main lender Mega Bank, with full repayment of the initially 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 continued financial stability.
- Healthy cash position of A\$10.9m as of 30 Sep 2022.

3. Encouraging FY23 outlook

- Star Vegas achieves positive EBITDA in Q1 FY23.
- Aristo selected as the only 5-star hotel in the Lao Cai province of Vietnam, and strategy shifting towards clientele from the local region.
- The construction of the new Sapa airport in Lao Cai, close to Aristo's operations, also presents a major opportunity to attract customers in the long term.
- Broader macro conditions improving, including 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, reducing 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. Underlying NPAT excludes non-recurring items and net exchange losses.
2. Currency conversions: FY22 1.3777 AUD/USD; FY21 1.3391 AUD/USD.

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

1. Currency conversions: FY22 1.3777 AUD/USD; FY21 1.3391 AUD/USD.



Star Vegas Venue Performance

- 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 Meanchey region.
- The casino reopened recently on 18 June 2022. Recovering average daily headcount as the border between Cambodia and Thailand has now reopened.
- Keeping costs down has remained Donaco's priority. The proactive cost control measures led to a FY22 reduction in operational expenses by 51.0% in AUD.

Numbers may not add up due to rounding.

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%

Currency conversions: FY22 1.3777 AUD/USD; FY21 1.3391 AUD/USD.

All figures in THB (millions)	FY22	FY21	% Change
Total Revenue	24.1	207.2	-88.4%
- Net Gaming Revenue	19.8	199.2	-90.0%
- Non-Gaming Revenue	4.3	8.0	-46.8%
Operating Expenses (excl. non-recurring items)	(58.7)	(112.0)	-47.6%
EBITDA (excl. non-recurring items)	(34.5)	95.2	-136.3%
Normalised EBITDA (excl. non-recurring items)	(38.0)	23.0	-265.7%
Property Level NPAT	(190.6)	(159.6)	19.4%
VIP Gross Win Rate	4.11%	4.48%	-0.37%

Currency conversions: FY22 24.2698 THB/AUD; FY21 23.0524 THB/AUD.

Aristo Venue Performance

- The casino, located in Vietnam, was affected by the drop in foreign visitors as the border with China remains closed.
- Aristo reported 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, resulting in a decrease in FY22 operating expenses by 18.2% from pcp in AUD.

Numbers may not add up due to rounding.

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%

Currency conversions: FY22 1.3777 AUD/USD; FY21 1.3391 AUD/USD.

All figures in RMB (millions)	FY22	FY21	%Change
Total Revenue	7.1	5.9	19.2%
- Net Gaming Revenue	5.8	4.3	35.4%
- Non-Gaming Revenue	1.3	1.6	-23.0%
Operating Expenses (excl. non-recurring items)	(8.0)	(10.4)	-22.8%
EBITDA (excl. non-recurring items)	(0.9)	(4.4)	78.8%
Normalised EBITDA (excl. non-recurring items)	(0.9)	(3.5)	73.4%
Property Level NPAT	(16.7)	(21.4)	22.1%
VIP Gross Win Rate	0.0%	1.88%	-1.88%

Currency conversions: FY22 4.7574 RMB/AUD; FY21 5.0111 RMB/AUD.



Outlook

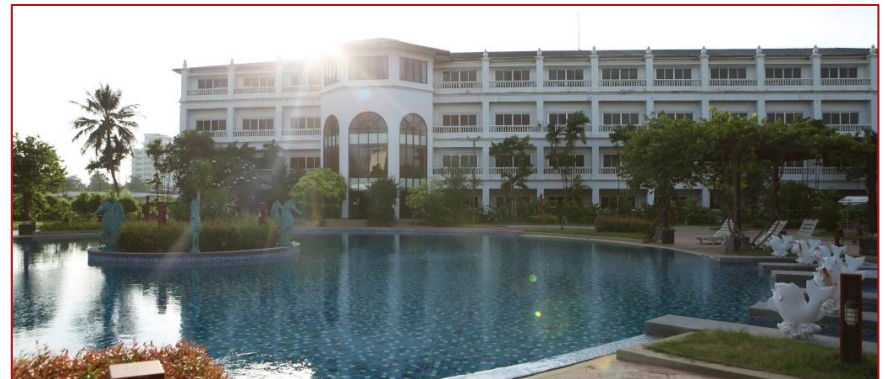
Positive trend in Q1 FY23

- With Star Vegas back into operation on 18 June 2022, the resort returned a positive EBITDA of A\$2.2m for Q1 FY23, leading to an encouraging start to FY23.
- Improving tourism and C-19 conditions resulted in Q1 FY23 Group net revenue of \$4.5m and EBITDA of \$1.5m.
- Aristo acknowledged as the only 5 star hotel in the Lao Cai province of Vietnam, for a period of 5 years, presents a major opportunity to attract new customers. As travel patterns recommence, there's increased confidence for Aristo to resume wider operations.
- Full Cambodia/Thailand border soon reopening presents further upside opportunity for Star Vegas and Aristo, as Vietnam/China tourism improves.



Outlook

- Encouraging outlook for FY23 with the reopening of Star Vegas, progressively advancing towards full operational capabilities over coming quarters.
- Positive macro trends with broader industry conditions improving – including high vaccination rates, leading to a number of countries reopening borders, and increased 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 the casino to attract new customers.
- Continued execution of disciplined cost control underpinned by a strengthened balance sheet, and cash position of A\$10.9 million as of 30 September 2022.
- Donaco is in a solid position to achieve sustainable long-term growth as life and travel patterns gradually return to normal.



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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.