



1H FY22 Investor Presentation

28 February 2022

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1H FY22 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 remained temporarily closed during the half year period and Aristo was open on a limited basis, due to restrictions related to the pandemic.
- The outbreak affected revenue and EBITDA resulting in 1H FY22 revenue of A\$1.13m (1H FY21: A\$6.3m) and negative EBITDA of A\$2.24m (1H FY21: A\$0.2m).
- Demonstrating the strength of the asset, Donaco's pragmatic initiative to shift its focus towards attracting clientele from the local region enabled Aristo to achieve positive EBITDA of A\$0.30m for the first three months of FY22.
- The Board and Management team continued to execute disciplined cost control underpinned by a strengthened balance sheet.
- Successfully paid off remaining Loan Facility with main lender Mega Bank, 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

1H FY22 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\$322,000, well in line with targeted range.
- Adjusted service provider agreements for improved outcomes; i.e. restructured gaming machine arrangements, introduced retail outlets and reorganised arrangements with junket operators.

2. Mega Bank debt paid off

- 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 A\$131.54m (equivalent to USD\$100m).
- Paid down USD\$6.8m (approx. A\$9.4m) of debt during the half.
- 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.



1H FY22 Group Results

1H FY22 Group Result Summary

- Revenue of A\$1.1 million (1H FY21: A\$6.3 million) impacted by COVID-19 related border closures.
- Disciplined cost control management led to a reduction in operating expenses to A\$2.1 million (1H FY21: A\$4.1 million) and corporate costs to A\$1.3 million (1H FY21: A\$2.0 million).
- Statutory net loss after tax of A\$8.9 million in 1H FY22.

All figures in AUD (millions)	1H FY22	1H FY21
Group Revenue	1.1	6.3
<i>Star Vegas</i>	1.1	5.7
<i>Aristo International Hotel</i>	0.1	0.6
<i>Corporate Operations</i>	0.0	0.0
EBITDA	(2.2)	0.2
<i>Star Vegas</i>	0.2	2.9
<i>Aristo International Hotel</i>	(1.2)	(0.7)
<i>Corporate Operations</i>	(1.3)	(2.0)
Statutory NPAT	(8.9)	42.5
Underlying NPAT¹	(7.4)	(5.7)

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

Non-Recurring Items

- 1H FY22 Non-recurring items include:
 - A\$48,232 million in non-recurring legal costs relating to litigation matters and loan refinancing.
 - A\$0.7 million write-off of trade & receivables.
 - A\$0.7 million net foreign exchange loss.
 - DNA Star Vegas license was not impaired for 1H FY22.

All figures in AUD (millions)	1H FY22	1H FY21
Star Vegas license impairment	-	-
Settlement proceeds	-	52.6
Settlement interest	-	(4.2)
Legal costs	(0.0)	(0.2)
Trade & other receivables	(0.7)	(0.1)
Net Exchange Gain/(Loss)	(0.7)	(0.0)
Total	(1.5)	48.2

Group Balance Sheet

- Cash position of A\$4.4 million as at 31 Dec 2021.
- Mega Bank Loan Facility fully repaid on 30 December 2021.
- Net debt to equity significantly increased to 5% from 3% on prior comparable period, with fully repaid Mega Bank remaining debt US\$6.8m (approx. A\$9.4m) during the period, utilised US\$7.2m (approx. A\$9.9m) shareholder loan facility, and cash and cash equivalents lower than borrowings as at 31 Dec 2021.
- Continued cost control measures in place - with cash burn of approx. A\$322k per month, in line with targeted range.
- Focus on balance sheet protection and rigorous capital management.

All figures in AUD (millions)	31 Dec 2021	30 June 2021	% Change
Cash and cash equivalents	4.4	6.3	-30.2%
PP&E	170.5	171.0	-0.3%
Intangibles (including licenses)	19.5	19.0	2.6%
Other Assets	1.9	2.8	-32.1%
Total Assets	196.2	199.1	-1.5%
Borrowings	11.7	11.1	5.4%
Trade and other payables	17.1	16.2	5.6%
Other liabilities	9.5	9.1	4.4%
Net Assets	157.9	162.7	-3.0%

Cash flow

- As a result of COVID-19 impacts, operating cash flow has reduced to negative A\$2.6 million compared to A\$1.4 million in pcp.
- Cash inflow from financing of A\$0.2 million includes proceeds from utilised shareholder loan facility A\$9.9m (equivalent to US\$7.2m), A\$9.4 million Mega Bank repayment (equivalent to US\$6.8m) and A\$346k million Lao Cai local bank loan repayment (equivalent to US\$251k).

All figures in AUD (millions)	1H FY22	1H FY21
Cash flow from Operations	(2.6)	1.4
Cash flow from Investing	(0.0)	(0.2)
Cash flow from Financing	0.2	(0.6)
Net Increase (decrease)	(2.4)	0.7
Effects of exchange rate	0.5	(0.6)
Cash at end of the financial half-year	4.4	12.7

Star Vegas – Profit & Loss

- Operating expenses continued to be tightly controlled, as the casino was closed throughout the entirety of 1H FY22 due to COVID-19 restrictions.
- Star Vegas has been 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 until further notice.
- Employee safety to minimise the curbing in C-19 transmission, while keeping costs down, has remained Donaco's priority.
- Donaco's proactive cost control measures led to a reduction in operational expenses by 56%.



All figures in AUD (millions)	1H FY22	1H FY21	% Change
Total Revenue	0.1	5.7	-99%
- Net Gaming Revenue	-	5.6	-100%
- Non-Gaming Revenue	0.1	0.1	-41%
Operating Expenses (excl. non-recurring items)	(1.2)	(2.8)	-56%
EBITDA (excl. non-recurring items)	(1.2)	2.9	-140%
Normalised EBITDA (excl. non-recurring items)	(1.2)	0.2	-700%
Property Level NPAT	(4.8)	(3.7)	-30%
VIP Gross Win Rate	N/A	4.77%	N/A

Star Vegas – Key operational metrics



All figures in AUD (millions)	1H FY22	1H FY21
VIP Table Game Turnover	-	133.4
Gross Gaming Revenue – Table Games	-	7.1
Gross Gaming Revenue – Slot Machines	-	2.7
Net Gaming Revenue	-	5.6
Non-Gaming Revenue	0.1	0.1
VIP Gross Win Rate	N/A	4.77%
Casino Visitors	-	0.05m
Average Visitors / Day	N/A	289

Aristo International Hotel – Profit & Loss

- The casino was affected by the drop in foreign visitors as the border with China remains closed.
- Nonetheless, Aristo achieved positive EBITDA of A\$0.23m for the 1H FY22, demonstrating the strength of the business.
- Average daily visitations remained but net revenue increased by 74%.
- As with Star Vegas, management implemented robust cost control measures, which saw operating expenses decrease by 36% from pcp and led to a positive EBITDA result.
- This result was also facilitated by a pragmatic initiative to focus on attracting clientele from the local region.

All figures in AUD (millions)	1H FY22	1H FY21	% Change
Total Revenue	1.1	0.6	74%
- Net Gaming Revenue	0.9	0.4	132%
- Non-Gaming Revenue	0.1	0.2	(44)%
Operating Expenses (excl. non-recurring items)	(0.8)	(1.3)	(36%)
EBITDA (excl. non-recurring items)	0.2	(0.7)	134%
Normalised EBITDA (excl. non-recurring items)	0.2	(0.5)	140%
Property Level NPAT	(1.4)	(2.5)	44%
VIP Gross Win Rate	0%	1.88%	(1.88%)

Aristo International Hotel – Key operational metrics

- Following approval from the relevant government authorities, Aristo in Vietnam reopened on a limited basis on 8 May 2020 after being closed from 1 April 2020.
- The business continues to operate on a limited basis in adherence with local C-19 directives.



All figures in AUD (millions)	1H FY21	1H FY21
VIP Table Game Turnover	0.0	26.0
Main Hall Turnover	32.3	11.1
Gross Gaming Revenue – Table Games	1.7	1.1
Gross Gaming Revenue – Slot Machines	0.1	0.0
Net Gaming Revenue	0.9	0.4
Non-Gaming Revenue	0.1	0.2
VIP Gross Win Rate	0%	1.88%
Casino Visitors	2,191	2,175
Average Visitors / Day	12	12



Outlook

Outlook

- The strategy for the remainder of FY22 will build on Donaco's pragmatic initiatives, including the shift towards clientele from the local regions.
- Aristo achieving positive EBITDA in the first three months of FY22 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 2H 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. This presents a major opportunity for Aristo to attract new customers.
- With the settlement of the Loan Facility with 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.