

EUMUNDI GROUP LIMITED

2020 Annual General Meeting



Agenda

- Chairman's Welcome
- CEO's Presentation
- Formal Business

EUMUNDI GROUP LIMITED

Chairman's Welcome 2020 Annual General Meeting



EUMUNDI GROUP LIMITED

CEO's Presentation 2020 Annual General Meeting



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FY20 performance summary

- ✓ The Company's overall result was profoundly impacted by COVID-19

Year ended 30 June (\$'000)	2020	2019	Change
Total revenue	20,715	24,938	-17%
Reported (loss) profit after tax	(1,022)	1,974	-152%
Net loss (gain) on fair value adjustment of investment properties	1,544	(173)	-992%
Profit after tax excluding fair value adjustment	522	1,801	-71%

- COVID-19 resulted in the closure of on-premise operations and provision of rental support for investment properties
- Net loss on fair value adjustment of investment property of \$1.544 million
- Excluding fair value adjustments, net profit after tax decreased by 71% to \$0.522 million in FY20
- FY19 result included a \$0.334 million income tax benefit on restatement of deferred tax on the change of corporate tax rate from 30% to 27.5%

NTA per share of 82.7 cents as at 30 June 2020 down from 99.1 cents last year, reflecting

- ✓ the net loss on fair value adjustments of land and buildings (\$3.95 million net of tax) and investment properties (\$1.544 million net of tax)
- ✓ FY20 interim dividend of 2.35 cents per share, 50% franked at 27.5% - no final dividend due to COVID-19 impacts

Review of Hotels – Pre COVID-19

Solid performance from Ashmore & Aspley Central Taverns

Ashmore Tavern delivering growth

- turnover growth in bar of 8.62% and bistro of 14.9% was achieved post lounge bar refurbishment
- gaming steady

Gold Coast retail and wholesale liquor sales down 9% due to tourism affected businesses



Aspley Central Tavern improvement

- turnover growth in bistro of 14% and bar of 2.8% achieved post site works
- gaming up 3.4%
- retail liquor up 7.8%

Review of Investment Properties – Pre COVID-19

The Plough Inn (head lease)

- Experienced operator
- Reliable income stream
- Predictable annual rises



Aspley Central – Aspley Shopping Centre & Aspley Arcade Shopping Village

Capital works program completed in Q2 FY20, but retail leasing difficult

- Vacancy rate 31.35%
- WALE of 3.07 years

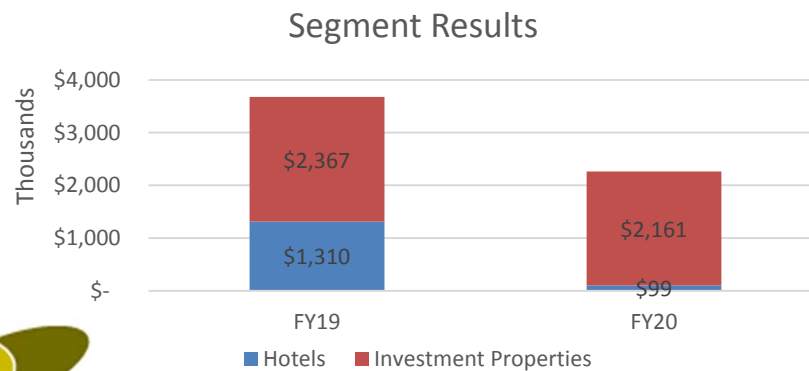
What the COVID happened?

Hotels

- Closure of on-premise hotel operations from 23 March 2020 by order of Federal Government
 - Bar and bistro re-opened subject to restrictions on 8 June 2020. Turnover for 2HY was \$0.77 million below the prior corresponding half year
 - Gaming closed through to the end of FY20. Revenue decreased by \$2.35 million compared with the corresponding half year
 - Retail liquor remained open for trade but suffered a turnover decrease of 9% YOY due to the devastation of Gold Coast tourism and restaurants
- > FY20 contribution decreased by 92% to \$0.99 million

Investment Properties

- Plough Inn was closed from 23 March 2020 by order of Federal Government
 - Rent waivers and deferrals provided to COVID-19 affected tenants
 - Deferred rent recognised in FY20 however payments will be received in future periods
 - Minimal government support available for property operations
- > FY20 contribution decreased by 9% to \$2.161 million



Represents earnings before finance expenses, tax, depreciation, unallocated items and fair value adjustment on investment properties – refer to the Segment Information in Note 6 of the 2020 Financial Statements

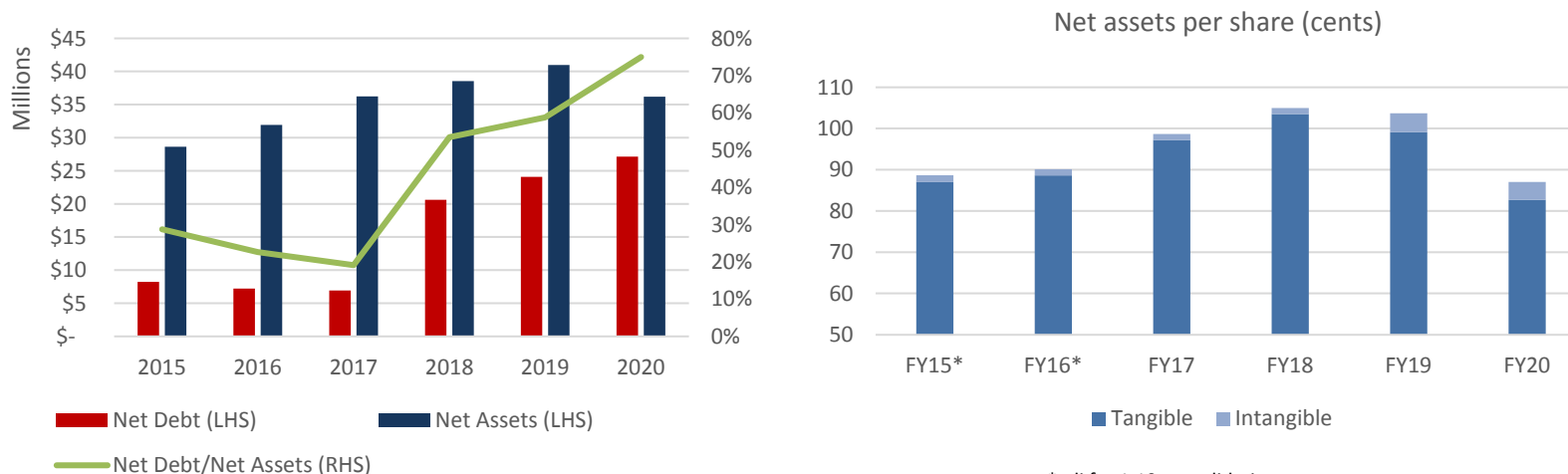
2HY20 performance

The financial impact of COVID-19 in the second-half essentially accounted for all of the full year decline in profit

	000's			%
	FY20	FY19	change	change
Reported profit before tax for 1HY	867	1,207	(340)	(28%)
Revenues for 2HY	8,090	11,787	(3,697)	(31%)
Segment results for 2HY				
Hotel operations	(563)	395	(958)	(243%)
Investment properties	963	1,130	(167)	(15%)
	400	1,525	(1,125)	(74%)
Finance expenses	(355)	(434)	79	(18%)
Unallocated revenues less unallocated expenses	(252)	(366)	114	(31%)
Profit (loss) before tax and fair value adjustments for half year	(207)	725	(932)	(123%)
Fair value adjustment on investment properties	(2,057)	300	(2,357)	(786%)
Profit (loss) before tax for 2HY	(2,264)	1,025	(3,289)	(321%)
Reported profit (loss) before tax for FY	(1,397)	2,232	(3,629)	(163%)

- COVID-19 government subsidies of \$0.547 were insufficient to offset the revenue and profit impacts from the forced closures of all on-premise operations
- Rent waivers and deferrals were provided to tenants, however the Company received virtually no rent assistance as the group owns and operates the properties on which the hotels operate

Solid financial position despite COVID-19



*adj for 1:10 consolidation

- Net assets at 30 June 2020 were \$36.2 million, a decrease of 11.7%, due to the impact of COVID-19 on operations and loss on fair value adjustments of the group’s investment properties (\$1.544 million net of tax) and land and building assets (\$3.695 million net of tax)
- NTA per share of 82.7 cents at 30 June 2020 down from 99.1 cents at 30 June 2019
- Total capital investments of \$3.878 million, funded from operating cash flows and debt facilities
 - Aspley Shopping Centre, Aspley Central Tavern and Ashmore Tavern: \$2.747 million
 - Aspley Arcade Shopping Village: \$1.131 million
- Cash flow from operations in FY20 was \$1.16 million (FY19: \$3.25 million) predominantly due to reduced cash inflow from on premise hotel operations and provision of rental support to tenants
- Net debt increased by \$3.05 million to \$27.13 million at 30 June 2020. Gearing ratio (net debt to net equity) increased to 75%, but debt is comfortably serviced (cover of 2.81 times) with undrawn facilities for completion of works

Dividends

- FY20 interim dividend 50% franked (@27.5%) of 2.35 cents per share (FY19: 3.20 cents per share interim and 2.35 cents per share final fully franked (@27.5%))
- Dividend Reinvestment Plan recommenced for interim dividend to preserve cash for capital works programme
- Continued strong support of Dividend Reinvestment Plan with participation rate of 96%
- Due to economic uncertainty surrounding COVID-19, no final dividend was declared in respect of FY20
- A total of 34.45 cents in dividends paid since June 2014

Ashmore capital works

COVID-19 provided the opportunity to proceed with major planned capital improvement works at the Ashmore Tavern at the earliest opportunity

Bistro deck : \$396K



Entry and exterior upgrade: \$215K



Sports bar deck : \$246K



Gaming room expansion and bistro terrace commenced: est cost \$1.9M



Ashmore capital works

Enclosed bistro deck completed July 2020

A bright, spacious, all weather air-conditioned area suited to dining and private functions for 55 – 110 guests

August 2019



August 2020



Ashmore capital works

Updated front entry completed September 2020

A fresh, clean, modern exterior mirroring internal improvements



Ashmore capital works

Sports bar deck completed September 2020

New covered outdoor area ideally suited to laid back Friday afternoon drinks and casual dining. Perfect for watching sports events with a few mates or hosting private functions for 30 – 60 guests



Ashmore capital works

Gaming room extension and rear bistro terrace

commenced September 2020 – est completion March 2021

Modern, spacious gaming room to maintain customers in highly competitive market. Rear bistro terrace will provide further dining capacity and function capability for 110 – 130 guests



Note: the above images are architectural concept images



Outlook

Hotels

Strong start to FY21, but uncertainty remains. The Company is well placed to grow subject to economic conditions

Ashmore Tavern

Strong start to FY21 across the business despite:

- limited capacity due to COVID-19 restrictions
- disruption during site works

Gaming room and bistro terrace expected to complete March 2021

Aspley Central Tavern

Strong start to FY21 across the business with:

- extended gaming hours approved in July 2020
- OLGR approval for 3 additional gaming authorities (45 in total) in November 2020

Outlook

Aspley Central Shopping Centre

(Aspley Shopping Centre and Aspley Arcade Shopping Village)

FY21 contribution likely to decline due to COVID-19 impacts and leasing transition

- Impact of expiring leases has been offset by recently negotiated leases
 - new 7 year lease to Fitstop gym commenced October 2020
 - relocation, expansion and 10 year term for Ray White commencing December 2020
- WALE increased from 3.28 years at 30 June 2020 to 4.22 years at 31 October 2020
- Vacancy decreased from 29.92% at 30 June to 26.95% at 31 October 2020
- Softer rent outcomes.

Leasing conditions remain difficult – encouraging enquiry levels but conversion is difficult

Terms agreed for extension and expansion of lease with major tenant - positive impact expected in FY22