



FY21 Investor Presentation

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FY21 in Review

Continued mitigation efforts and balance sheet protection

- Donaco's operations, DNA Star Vegas (Star Vegas) and Aristo International Hotel (Aristo) were largely affected by C-19 and related restrictions resulting in the casinos closed intermittently throughout the year.
- DNA Star Vegas operated for 7 months of the year, with the latest wave of infections leading to its temporary closure since April 2021, while Aristo operated on a limited basis.
- The outbreak affected revenue and EBITDA resulting in FY21 revenue of A\$10.32m (FY20: A\$53.49m) and negative EBITDA of A\$0.07m (FY20: A\$10.38m).
- The new Board and Management team continued to execute disciplined cost control underpinned by a strengthened balance sheet.
- While Donaco remains vigilant on C-19, conditions are starting to ameliorate with Aristo achieving positive EBITDA in July 2021.
- Positive long-term business outlook with proliferation of vaccines globally, and across South-East Asia.

Encouraging long term outlook with Aristo achieving positive EBITDA in July 2021

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. US\$400,000, in line with targeted range.
 - Shift in customer targeting from historical overseas clientele to renewed focus on clientele from the local region to reduce international staff expenses.
 - Adjusted service provider agreements for improved outcomes; i.e. restructured gaming machine arrangements, introduced retail outlets and reorganised arrangements with junket operators.
- 2. Support received from Mega Bank, and substantial reduction of debt levels**
 - Debt decreased from US\$12.8m to US\$6.80m as at 30 June 2021.
 - New loan repayment with Mega Bank for up to US\$7.8m to repay the remaining debt by end of calendar year 2021.
 - Loan repayment as a means to preserve shareholder value.
- 3. Successful settlement of all legal cases with Thai Vendor in relation to Star Vegas**
 - Follows the approval received from Mega Bank.
 - Settlement led to Donaco recording a non-cash income of A\$50.9m (as at 30 June 2021 average rate).
 - Settlement provides a stable platform for business continuity and preserves shareholder value.
- 4. New Board and Executive team executed cost control and balance sheet protection**
 - Completed A\$14.41m capital raise to provide immediate capital relief.
 - Robust cash at bank of A\$6.3m at 30 June 2021.
 - Donaco is ready to move forward once the C-19 situation improves.



FY21 Group Results

FY21 Group Result Summary

- The first half of FY21 saw a return to positive group EBITDA of A\$0.2m.
- EBITDA improvement driven by several strategic initiatives including attracting clientele from the local region to Star Vegas and Aristo, the introduction of retail outlets, and reorganising arrangements with junket operators.
- However, the C-19 situation heightened in 2H FY21, affecting Donaco's local operations.
- Resulting in FY21 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 Group operating expenses and corporate costs, reduced 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	(0.1)	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. 1H21 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 US\$38m 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 US\$3m 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)

Group Balance Sheet

- Solid cash balance of A\$6.3m as at 30 June 2021.
- Support received from principal lender Mega Bank with final debt repayment by end of calendar year 2021.
- Net debt to equity significantly reduced to 0.2 from 0.5 previously, with Mega Bank debt decreased to USD\$6.8m as at 30 June 2020 (equivalent to A\$9.05m).
- Mega Bank also waived the requirement to cash covenants as at 30 June 2021.
- Continued cost control measures in place - with cash burn of approx. USD\$400,000 per month (approx. A\$0.5m per month), in line with targeted range.
- Focus on balance sheet protection and rigorous capital management.

All figures in AUD (millions)	FY21	FY20	% Change
Cash and cash equivalents	6.3	12.6	-50.0%
PP&E	171.0	165.8	3.1%
Intangibles (including licenses)	19.0	29.9	-36.5%
Other Assets	2.8	3.0	-6.7%
Total Assets	199.1	211.4	-5.8%
Borrowings	11.1	28.2	-60.6%
Trade and other payables	16.2	44.9	-60.8%
Other liabilities	9.1	0.4	2175%
Net Assets	162.7	137.9	18.0%

Cash flow

- C-19 impacted FY21 operating cash flow, reduced to negative A\$4.3m compared to negative A\$3.2m in pcp.
- Cash outflow from financing of A\$1.5m includes A\$14.4m proceeds from share issue and A\$16.2m repayment of borrowings (A\$14.6m Mega Bank repayment, A\$1.4m Lao Cai local bank loan repayment and A\$0.2m adjustment for amortisation of Mega Bank Loan).

All figures in AUD (millions)	FY21	FY20
Cash flow from Operations	(4.3)	(3.2)
Cash flow from Investing	(0.2)	(1.0)
Cash flow from Financing	(1.5)	(9.7)
Net Increase (decrease)	(6.0)	(13.9)
Effects of exchange rate	(0.3)	0.0
Cash at end of the financial half-year	6.3	12.6

Star Vegas – Profit & Loss



- Operating expenses continued to be tightly controlled while the casino was only operating on a limited basis for about 7 months (from end of September 20 to end of April 21). This resulted in net revenue decline of 77.1% compared to pcp.
- Average daily visitations reduced by 93.1% vs pcp, which cascaded through to VIP turnover declining by 84.2%, however VIP Win Rate has increased by 1.0%.
- Donaco’s proactive cost control measures led to a reduction in operational expenses by 83.1%.
- Facilitating positive EBITDA of AUD\$4.2m.

All figures in AUD (millions)	FY21	FY20	% Change
Total Revenue	9.1	39.7	-77.1
- Net Gaming Revenue	8.7	36.4	-76.0
- Non-Gaming Revenue	0.4	3.3	-89.2
Operating Expenses (excl. non-recurring items)	(4.9)	(28.7)	-83.1
EBITDA (excl. non-recurring items)	4.2	11.0	-61.5
Normalised EBITDA (excl. non-recurring items)	1.0	2.0	-50.0
Property Level NPAT	(6.9)	2.8	-364.8
VIP Gross Win Rate	4.48%	3.45%	1.0%

Star Vegas – Key operational metrics



- Star Vegas in Cambodia reopened on 25 September 2020 at limited capacity following Government approval after being closed from 1 April 2020.
- 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 curb in C-19 transmission, while keeping costs down, has remained Donaco’s priority.



All figures in AUD (millions)	FY21	FY20
VIP Table Game Turnover	213.5	1,349.8
Gross Gaming Revenue – Table Games	10.4	56.5
Gross Gaming Revenue – Slot Machines	4.9	17.4
Net Gaming Revenue	8.7	36.4
Non-Gaming Revenue	0.4	3.3
VIP Gross Win Rate	4.48%	3.45%
Casino Visitors	65,475	950,932
Average Visitors / Day	271	3,471

Aristo International Hotel – 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 95.5%, VIP turnover by 97.2% and net revenue by 91.2%.
- As with Star Vegas, management implemented robust cost control measures at Aristo which saw operating expenses decrease by 76.8% from FY20. The drop in revenue due to the significant fall in visitation numbers, resulted in an EBITDA loss.



All figures in AUD (millions)	FY21	FY20	%Change
Total Revenue	1.2	13.7	-91.2
- Net Gaming Revenue	0.9	8.1	-89.2
- Non-Gaming Revenue	0.3	5.6	-94.2
Operating Expenses (excl. non-recurring items)	(2.1)	(8.9)	-76.8
EBITDA (excl. non-recurring items)	(0.9)	4.9	-117.6
Normalised EBITDA (excl. non-recurring items)	(0.7)	8.5	-108.1
Property Level NPAT	(4.2)	0.2	-2038.5
VIP Gross Win Rate	1.88%	2.32%	-0.44%

Aristo International Hotel – Key operational metrics



- Following approval from the relevant government authorities, Aristo reopened on 8 May 2020 after being closed from 1 April 2020.
- The business continues to operate on a limited basis, as the border with China, where most of its patrons originate from remains closed.
- Despite the limited operations, Aristo encouragingly turned to positive growth post period end for the month of July 2021, recording positive EBITDA of AUD\$0.3m, compared to negative EBITDA of AUD\$0.1m in July 2020.
- Donaco is confident in conditions improving.

All figures in AUD (millions)	FY21	FY20
VIP Table Game Turnover	25.2	903.7
Main Hall Turnover	58.7	100.3
Gross Gaming Revenue – Table Games	2.5	26.8
Gross Gaming Revenue – Slot Machines	0.1	1.5
Net Gaming Revenue	0.9	8.1
Non-Gaming Revenue	0.3	5.6
VIP Gross Win Rate	1.88%	2.32%
Casino Visitors	4,823	106,399
Average Visitors / Day	13	292





Outlook

Outlook

- Strategy for FY22 will build on Donaco’s pragmatic initiatives, including the shift towards clientele from local region.
- Continued focus on balance sheet protection and cost control to mitigate the impacts from C-19.
- On track to repay all remaining debt with Mega Bank by end of calendar year 2021.
- Vaccination efforts progressing in Thailand and Cambodia.
 - Donaco anticipates the short-term impact of C-19 to be outweighed by the positive long-term outlook, as demonstrated by Aristo achieving positive EBITDA post period end.
- Donaco is ready to move forward once the C-19 situation improves.



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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.