

EUMUNDI GROUP LIMITED

CEO's Presentation 2022 Annual General Meeting



Disclaimer

- This presentation has been prepared by Eumundi Group Limited (EBG) and is for general information purposes only. This presentation does not provide recommendations or opinions in relation to specific investments or securities.
- This presentation has been prepared in good faith and with reasonable care. Neither EBG nor any other person makes any representation or warranty, express or implied, as to the accuracy, reliability, reasonableness or completeness of the contents of this presentation (including any projections, forecasts, estimates, prospects and returns, and any omissions from this presentation. To the maximum extent permitted by law, EBG and its respective officers, employees and advisers disclaim and exclude all liability for any loss or damage (whether or not foreseeable) suffered or incurred by any person acting on any information (including any projections, forecasts, estimates, prospects and returns) provided in, or omitted from, this presentation or any other written or oral information provided by or on behalf of EBG.
- This presentation may contain forward looking statements. These forward looking statements have been made based upon EBG's expectations and beliefs concerning future developments and their potential effect upon EBG (and its controlled entities) and are subject to risks and uncertainty which are, in many instances, beyond EBG's control. No assurance is given that future developments will be in accordance with EBG's expectations. Actual results could differ materially from those expected by EBG.
- It is not intended that this presentation be relied upon and the information in this presentation does not take into account your financial objectives, situations or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision.
- Numbers may not add up due to rounding.

FY22 performance summary

✓ Record result achieved

Year ended 30 June (\$000)	2022	2021	2020
Total revenue	27,684	26,216	20,715
Profit after tax excluding fair value adjustment and government subsidies	2,926	2,071	125
Net gain / (loss) on fair value adjustment of investment properties after tax	4,085	1,769	(1,544)
Government subsidies net of tax	11	423	397
Reported profit/(loss) after tax	7,022	4,263	(1,022)
Net gain/(loss) on fair value adjustment of land and buildings after tax	6,081	4,313	(3,695)
Total comprehensive income	13,103	8,576	(4,717)
Earnings per share (cents)	16.7	10.3	(2.5)

- Revenue increased to \$27.684M from \$26.216M in FY21
- Net profit after tax excluding fair value adjustments and government subsidies increased to \$2.926M from \$2.071M in FY21
- Net gain on fair value adjustment of investment property and land and buildings \$10.166M

✓ Earnings per share increased to 16.7 cents from 10.3 cents

✓ NTA per share of \$1.29 as at 30 June 2022, up 26.5% from \$1.02 last year

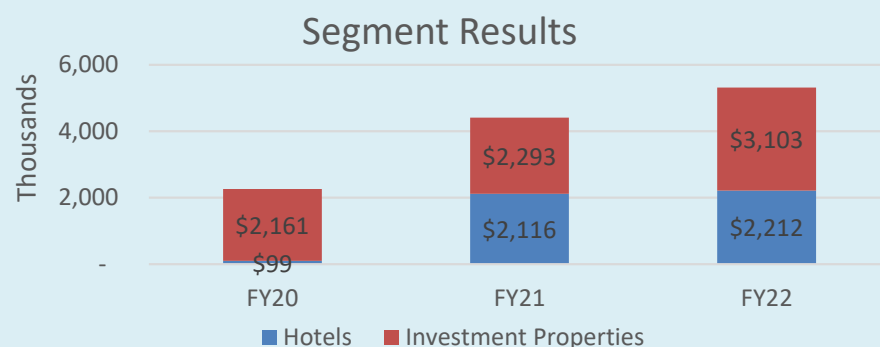
FY22 segment contributions

Hotels segment result increased to \$2.212M from \$2.116M in prior year

- Ashmore Tavern bar and bistro revenues increased 14.5% over prior year, despite Q4 disruption from kitchen and bathroom capital works
- Aspley Central Tavern bar and bistro revenues down 10% due to kitchen closures
- Gaming revenues decreased by 3.4% from prior year high which included post lockdown surge in Q1 FY21
- Retail liquor continued to perform strongly

Investment properties result increased from \$2.293M to \$3.103M

- Acquisition of Court House Hotel in August 2021 - contribution of \$0.342M
- Improved leasing outcomes at Aspley centres in FY22
- Plough Inn revenue increased following annual review



Represents earnings before finance expenses, tax, depreciation, unallocated items and fair value adjustment on investment properties – refer to the Segment Information in Note 5 of the FY22 Financial Statements

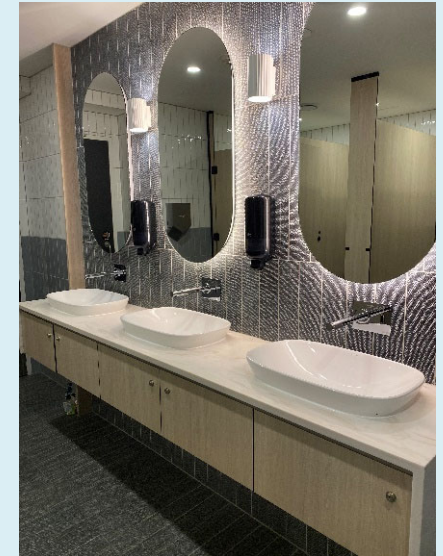
Review of hotels

Ashmore Tavern final stage capital works complete

Bathroom amenities upgrade

(May 2022 – September 2022)

- Modern attractive bathroom amenities
- More toilet facilities
- Accessible from both main bar areas
- Energy efficient design – sensor lights and taps



Kitchen expansion

(May 2022 – September 2022)

- Increased from 52m² to 132m²
- Modern equipment
- Expanded scullery and prep areas
- Improved function capability

Review of hotels (cont'd)

Other asset improvements

Ashmore Tavern

- Gaming equipment upgrade Q1 & Q3 \$125K
- CCTV upgrade Q2 \$14K
- Roof safety equipment \$20K



Aspley Central Tavern

- Gaming equipment upgrade Q3 \$58K



Review of investment properties

Court House Hotel, Murwillumbah, NSW

- Land and buildings acquired for \$6.4M including costs in August 2021
- Initial cap rate of 6.25%
- Leased to experienced hotel operator for initial 15 year term plus 4 x 10 year options
- Rent \$375K per annum with 3% annual rises
- Triple net lease – all outgoings, repairs and capital works payable by lessee
- Acquisition funded by existing and new borrowing facilities
- FY22 contribution \$342K (\$256K net of tax)



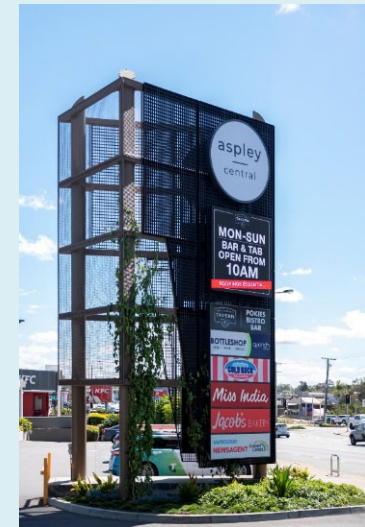
Review of investment properties (cont'd)

Aspley Central

(Aspley Shopping Centre & Aspley Arcade Shopping Village)

Improved leasing in FY22

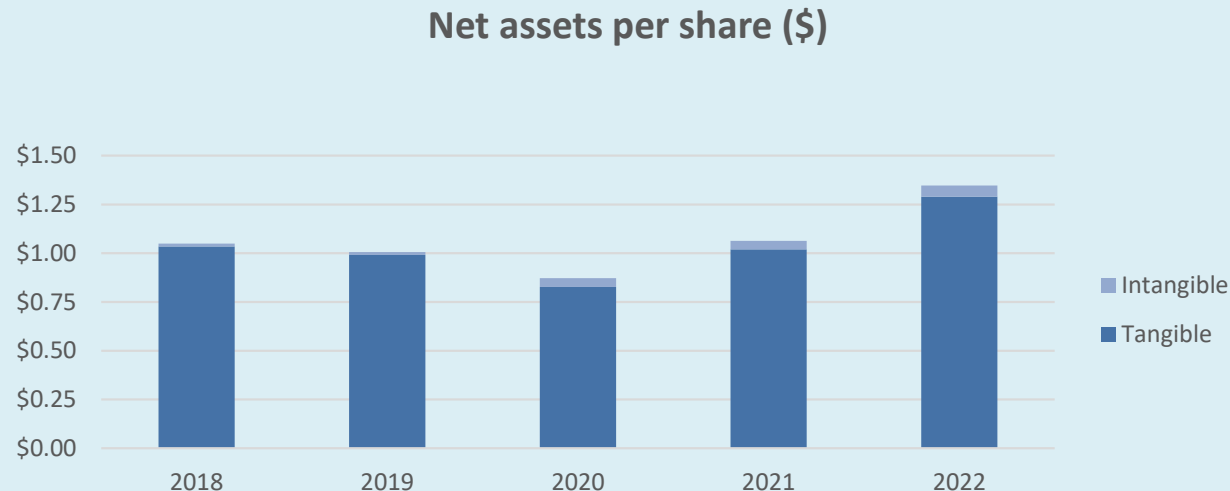
- Seven new leases executed: these represented 23.5% of GLA; with an average WALE of 6.42 years; contributing annual revenue \$0.473M net of tax
- Total centre vacancy rate reduced from 16.7% to 6.3%
- Total centre WALE increased from 5.29 years to 5.74 years



The Plough Inn (head lease)

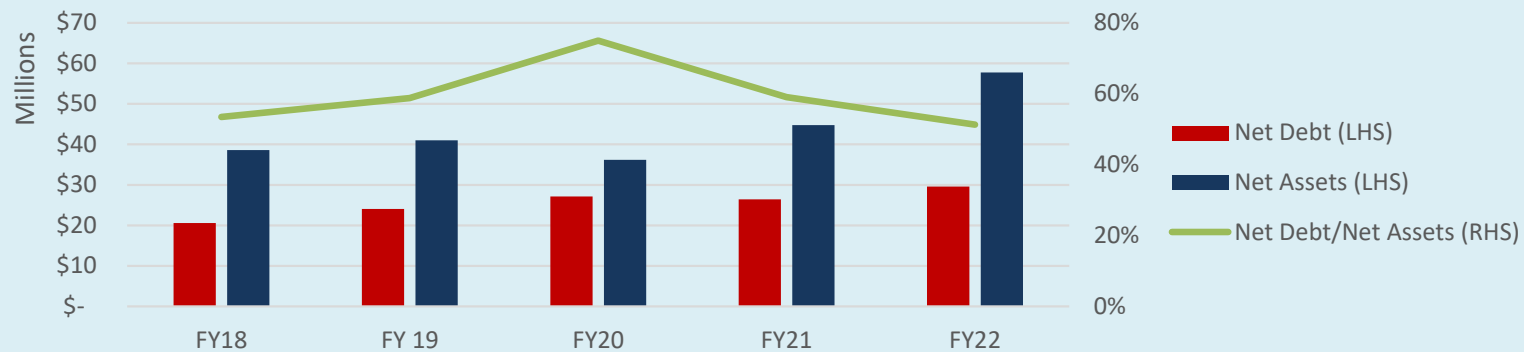
- Experienced operator
- Reliable income stream
- Predictable annual rent rises

Solid financial position



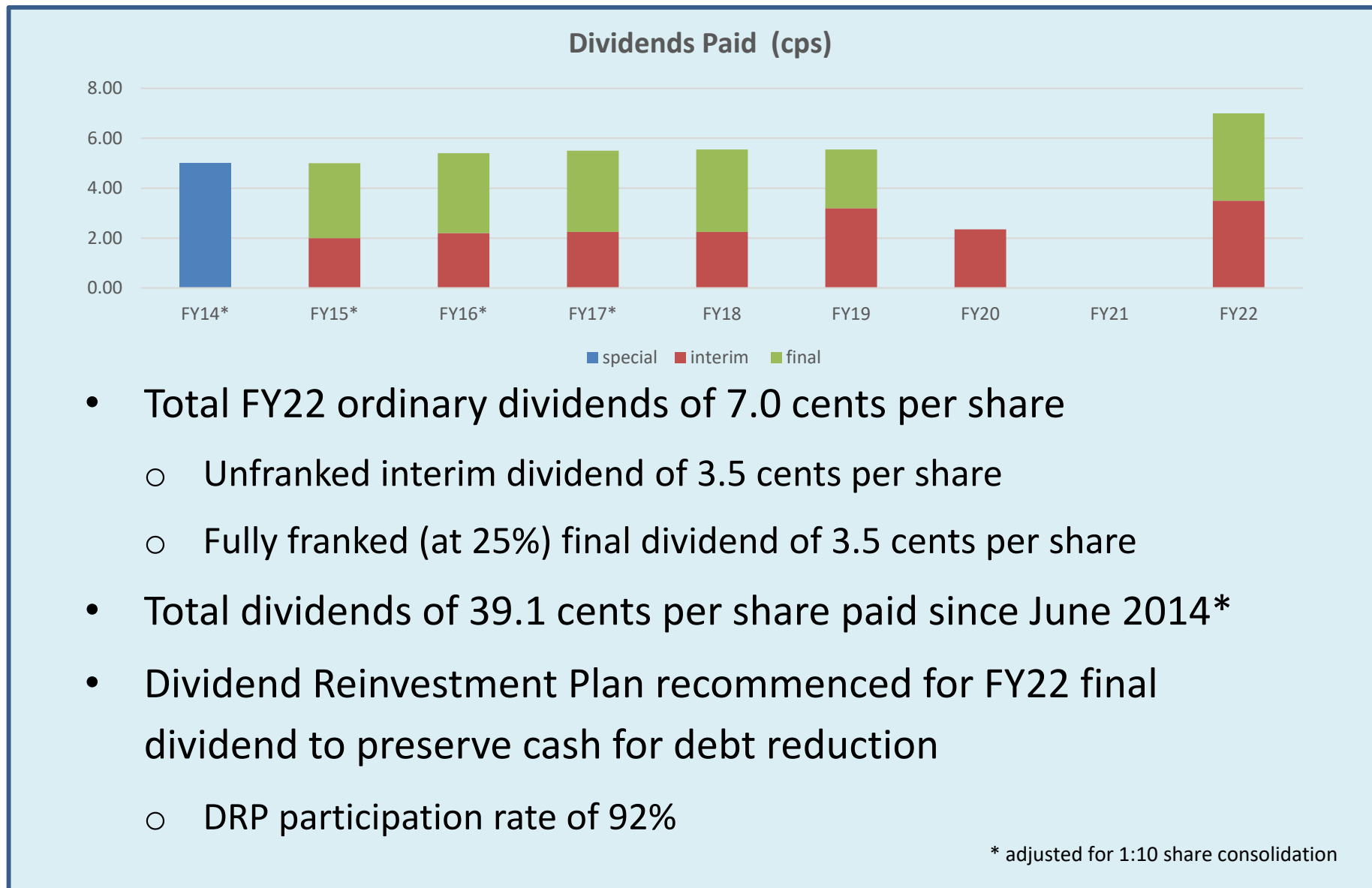
- Net assets at 30 June 2022 were \$55.7M, an increase of 29%, due to fair value adjustments of the Group's investment properties (\$4.085M gain net of tax) and land and building assets (\$6.081M gain net of tax) and the strong operating profit
- NTA per share of \$1.29 at 30 June 2022 up from \$1.02 at 30 June 2021

Solid financial position (cont'd)



- Net debt increased by \$3.184M to \$29.601M at 30 June 2022
- Total capital investments of \$7.662M
 - Court House Hotel acquisition: \$6.379M
 - Aspley Shopping Centre, Aspley Central Tavern and Ashmore Tavern: \$0.910M
 - Aspley Arcade Shopping Village: \$0.373M
- Funded by cash inflows from operations in FY22 of \$4.889M and new and existing bank facilities
- Gearing ratio (net debt to net equity) decreased to 51%
- Debt was comfortably serviced with interest cover of 7.51 times in FY22

Dividends



Outlook

Hotels

- **Ashmore Tavern**
 - Bar and bistro revenue uplift post completion of kitchen and bathroom capital works
 - Gaming remains strong
 - Retail liquor stable
- **Aspley Central Tavern**
 - Bar and bistro revenue growth expected
 - Gaming solid
 - Retail liquor growth continues with improved leasing at shopping centres

Outlook (cont'd)

Investment Properties

- Aspley Shopping Centre and Aspley Arcade Shopping Village
 - Full year contribution from FY22 leasing and forecast revenue growth with potential new leases at shopping centres
 - Increased interest rates and inflation impacting lease offers, but interest in remaining three vacancies
- Plough Inn
 - Stable business with predictable annual rent rises
- Court House Hotel
 - Full year of rent in FY23
 - Stable business with fixed annual rent rises

Outlook (cont'd)

- Capital improvements to hotels and shopping centres provide solid revenue streams
- Uncertainty due to higher interest rates and inflation
- Renegotiation underway to extend term of commercial borrowing facilities expiring in October 2023
- Access to undrawn commercial borrowing facilities of \$8.851M as at 31 October 2022