



Chairperson's Address to AGM - Thursday 3 December 2020

The 2020 Financial Year and Calendar year has been an extraordinary one for most of the world not just at AAT's small location at Airlie Beach.

The SARS - COVID 19 Pandemic has materially changed tourism and travel throughout the world of in so many ways that have directly impacted the Company's trading business at Airlie Beach, the effects of which will continue to be felt for many years to come. COVID has changed historical travel and tourism patterns and many of these changes will more than likely be permanent changes.

As advised to the NSX, the Company's Directors decided to temporarily close Magnums Accommodation Business at Airlie Beach on 31 March 2020, as a direct result of the pandemic. Management used this opportunity to undertake a significant renovation of most of the accommodation facilities and working on some market repositioning for the future. The cost of the renovations was tightly budgeted and undertaken primarily by existing personnel and funded withing the Company's existing resources.

Magnums progressively reopened the accommodation facilities commencing 21 June 2020, however "social distancing guidelines" prevented trading of the majority of the available shared accommodation at full capacity.

This situation is expected to be resolved in full in the 2021 New Year with relaxed trading conditions and the renovations being completed. However, while the Queensland State borders are now open to interstate visitors, the future management of COVID-19 issues continue to influence the task of building momentum in visitor levels.

Magnums traditional target market of International Backpackers relied heavily on International Borders being open, today we are still waiting on any 'real' datelines that would offer certainty. The Backpacker Market was in decline prior to COVID 19 however COVID 19 has hastened the end of this market for the foreseeable future.

Management has maximised the potential of maintaining our team of long-term locals whilst the Federal Government have subsidised the cost of wages during this challenging period. This subsidy is scheduled to end in March 2021.

The Magnums team has almost completed the extensive refurbishment of the accommodation facilities to align with our new target markets which will be the 18



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plus market, predominantly couples. The term “backpackers” has been completely removed from all marketing material.

Early indications support the change of target market with positive indications that the Domestic Market will, over time, be able to replace Magnum’s traditional backpacking market. Marketing is a key consideration moving forward, while on the ground, all efforts are being directed at retraining team members and rebranding our products on all digital platforms.

Whitsunday Skyway Project

Whitsunday Skyway is a major Project for the future growth of AAT. Shareholders may have seen recent supportive announcements made by the Queensland Premier, Annastacia Palaszczuk, prior to the early November 2020 State Government election, a copy of which was released to NSX and placed on the Company’s website.

Since the election, the returned Queensland Government has promptly followed through with the AAT Directors in actively working to facilitate progression of the approval process of the Whitsunday Skyway Project.

Many aspects of this process are commercially confidential and will remain so for some time, However the Board is encouraged by the genuine involvement of both State and Federal Government representatives to help progress the project.

Nevertheless – the project will require support and coordination at several levels of Government, and this will be a lengthy process requiring considerable co-ordination between all levels of government and as with all major projects requiring involvement of governments, not without risk.

The Board will be devoting considerable effort and funding to advancing the Whitsunday Skyway Project however it cautions shareholders and investors that the project remains speculative at this stage. The Board will provide progressive updates to shareholders as required.

3 December 2020

Elizabeth Hackett

Executive Chair

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