



Aquis Entertainment Limited – Preliminary Final Report Appendix 4E

1. Company Details

Name of entity:	Aquis Entertainment Limited
ABN:	48 147 411 881
Reporting period:	For the year ended 31 December 2020
Previous period:	For the year ended 31 December 2019

2. Results for announcement to the market

Results in accordance with Australian Accounting Standards

					\$
Revenue from operations	decreased	23.7%	to		18,933,182
Profit from ordinary activities after tax attributable to the owners of Aquis Entertainment Limited	Increased	120.2%	to		798,201
Profit for the year attributable to the owners of Aquis Entertainment Limited	increased	120.2%	to		798,201

Comments on Results

The operating result for the consolidated entity for the year to 31 December 2020 was a profit of \$798,201 (2019: loss \$3,957,193).

Operating revenue for the year amounted to \$18,687,684, a 23.51% decrease from the 2019 result (\$24,433,082). Earnings before Interest Tax Depreciation and Amortisation (EBITDA) for the year was a profit of \$4,819,796 (2019: profit \$72,244).

The Casino operations were closed due to ACT Government restrictions from 23 March 2020 to 9 August 2020.

Strategy

Aquis has a clear strategy to develop and manage quality destination integrated resorts in underserved areas of Australia. Casino Canberra is the first such investment and has been used to demonstrate the Company's ability to significantly improve an underperforming operation by a combination of leadership and targeted investment in the business.



Aquis advanced its strategy during the year by:

- Focused marketing activities to capitalise on the refurbishment of the Casino Canberra property in 2016 and to streamline expenditure on profitable revenue streams within the gaming department;
- Continuing to improve the operations of Casino Canberra by engaging experienced management who are focussed on improving revenue and customer service standards;
- Continuation of a cost control program to minimise expenditure and streamline efficiencies in business processes to improve economies of scale particularly in the post shutdown period;
- Ongoing consideration of alternative and complementary business lines as opportunities arise; and
- Effective hibernation of the business during the Government mandated Covid-19 shutdown, with preparation and plans implemented on reopening to take advantage of competitive advantages of the business location and floor plans.

Operations

Revenue from operations for the year decreased 23.51% from the prior year to \$18,687,684 in 2020 compared to \$24,433,082 in 2019. The result was driven by a 21.89% decrease in gaming revenue and a 39.18% decrease in food and beverage and other sales. Operating expenses including payroll related expenses decreased by 36.94% for the year, with the major decreases being in payroll and marketing expenses. The reduction in revenues and also in payroll and operating expenditure was a result of mandated shutdown of the Casino due to Covid-19 as well as a portion of JobKeeper rebates received that were offset against wages paid post re-opening.

The first half of the year saw reduced revenues due the ACT Government mandated shut down from 23 March 2020 as one of their measures to slow down the spread of Covid-19.

The second half of the year, saw Casino Canberra recommence trading from 10 August 2020 under mandated restrictions to minimise the risk of Covid-19. Key changes were made to operations to comply with the Government's Covid-19 regulations, including limiting loading capacity, requiring 1.5m spacing between patrons, entry requirements and additional staffing levels to accommodate the additional requirements in place.

Financial position

At 31 December 2020, the Group had cash reserves of \$7,259,495 (2019: \$5,105,943) and unused borrowing facilities of \$5,071,317. Following the end of the financial year no further drawdowns have been made and the group had a positive net cashflow for the financial year. The balance sheet at 31 December 2020 shows a net asset deficit of \$19,809,879 (2019: \$20,608,259 deficit).



Outlook

Directors are confident of the outlook for Aquis. The casino's highly experienced operations leadership team continue to execute the vision of attracting and servicing quality players. Ongoing internal restructures to improve the alignment of teams within the group continues to improve efficiencies in our workforce, in addition to the absorption of several roles on resignation of incumbent employees. Our Business Development team have focused on mining of the existing customer database over the year, solidifying the efforts of the past several years which were spent building its size and quality. This focus allowed for a decrease in expenditure, resulting in a profitable VIP sector for the year. Customised offers to individual members have proved very successful in maximising revenues while minimising costs, as all expenditure has been effective.

Legislation was enacted in 2018 to allow 200 electronic gaming machines (EGM's) to operate within the casino. During 2020 the planning for the redevelopment of Casino Canberra and further discussions with the Government were paused due to the Covid-19 pandemic and shutdown, however as restrictions continue to ease, focus will return to future plans for redevelopment and discussions surrounding the details of the legislated requirements for the EGM's will recommence to enable planning for the future.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.10)	(0.10)

4. Control gained over entities

No entities were acquired during the period

5. Loss of control over entities

Not applicable



6. Dividends

No dividends were paid or declared during the period

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Other than wholly owned subsidiaries, the company had no associates or joint ventures.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The financial statements of Aquis Entertainment Limited for the year ended 31 December 2020 are attached.

12. Signed

A handwritten signature in black ink, appearing to read "Allison Gallagher".

Allison Gallagher

Director

Canberra

11 March 2021