



## 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 2021
Previous period:	For the year ended 31 December 2020

### 2. Results for announcement to the market

#### Results in accordance with Australian Accounting Standards

					\$
Total revenue from operations	Increased	33.0%	to		25,184,467
Earnings before Interest Tax Depreciation and Amortisation (EBITDA)	Decreased	30.0%	to		3,375,943
Profit from ordinary activities after tax attributable to the owners of Aquis Entertainment Limited	Decreased	71.1%	to		230,796
Profit for the year attributable to the owners of Aquis Entertainment Limited	Decreased	71.1%	to		230,796

#### **Comments on Results**

The operating loss before tax for the consolidated entity for the year to 31 December 2021 was a loss of \$470,628 (2020: profit of \$798,201).

Trading revenue for the year amounted to \$24,821,129, a 33% increase from the 2020 result (\$18,687,684). Earnings before Interest Tax Depreciation and Amortisation (EBITDA) for the year was a profit of \$3,375,943 (2020: profit \$4,819,796).

The Casino operations were closed due to ACT Government mandated lockdown from 12 August 2021 to 28 October 2021.

#### **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 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 revenue maximisation and improving customer service standards;
- Continuation of a cost control program to minimise expenditure and streamline efficiencies in business processes to improve economies of scale particularly during the 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 projects undertaken during closure to ensure continued improvements in efficiencies post reopening.

### **Operations**

Trading revenue for the year increased 33% from the prior year to \$24,821,129 in 2021 compared to \$18,687,684 in 2020. Year on year comparatives differ due to ACT Government directions which resulted in Casino Canberra being closed for different periods over the two years as follows:

- Closed from 23 March 2020 to 9 August 2020 (approx. 4.5 months); and
- Closed from 12 August 2021 to 28 October 2021 (approx. 2.5 months).

Changes to operations in 2020 including limiting loading capacity, entry requirements, and additional staffing levels to accommodate the additional requirements in place continued into the 2021 year.

The second half of the year saw Casino Canberra enter a mandated lockdown from 12 August 2021 re-commencing trading on 29 October 2021. Casino Canberra continued to trade under Covid-19 restrictions for the remainder for the 2021 year.

### **Financial position**

At 31 December 2021, the Group had cash reserves of \$9,379,330 (2020: \$7,259,495) and unused borrowing facilities of \$7,571,317. The group had a positive net cashflow for the financial year and following the end of the financial year no further drawdowns have been made. The balance sheet at 31 December 2021 shows a net asset deficit of \$19,578,423 (2020: \$19,809,879 deficit).



### Outlook

The 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 growing the existing customer database over the year, continuing to customise offers to individual members which has proved very successful in maximising revenues while minimising costs, ensuring all expenditure is effective.

Legislation was enacted in 2018 to allow 200 electronic gaming machines (EGM's) to operate within the casino, subject to several conditions. During 2021 the planned advancement of this part of the strategy was restricted due to ongoing effects of the Covid-19 pandemic and another shutdown, however as the Omicron outbreak eases and operations stabilise, focus will again return to future plans for redevelopment and discussions surrounding the details of the legislated requirements for the EGM's 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)

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### 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 2021 are attached.

**12. Signed**

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

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**Allison Gallagher**

**Director**

Canberra

24 February 2022