



Annual General Meeting – 30 May 2017 Chairman's Address

30 May 2017

Welcome to the 2017 Aquis Entertainment Annual General Meeting.

Aquis Entertainment acquired Casino Canberra in 2015 with a long-term plan to rejuvenate the business and invest in building a destination entertainment venue.

2016 was a significant year for the Company, as we transitioned out of the formative first full year of operation, and into the implementation of the details of the business plan.

THE TABLES HAVE TURNED

An important milestone occurred in June 2016, as we saw the completion of our \$13.6M Casino Canberra refurbishment project.

This project delivered a completely upscaled facility, new VIP gaming rooms and equipment throughout the venue, as well as an enhanced product offering through the addition of LT Games – the ACT's first and only stadium gaming experience.

Along with the opening of a new bar and restaurant, and the continued improvement in customer service standards, we saw renewed attraction and appeal of the property in the second half of 2016.

While expected, the most significant factor directly affecting our results in 2016 was the disruption to our business as we invested in this important project.

Despite the challenges of a half year of full scale operation, and turning around a business that has suffered from years of under-investment, we are very pleased to have delivered significant growth in revenue during the 2016 reporting year.

While this strong top line growth is indeed a validation of the new energy we have injected into the business, such a significant turnaround will take time. We are not daunted by that.

The Group's bottom line financial result for 2016 has overshadowed the qualitative transformation underway within the Casino Canberra business; let me give you some context to illustrate the magnitude of the change we have effected in our short time operating this business:

Since 2014 (pre-acquisition), we have:

- increased gross gaming revenue by 52%, visitation by 34% and database membership by 172%, despite significantly scaled-back operations during refurbishment;
 - dramatically increased productivity by replacing manual tasks with new technologies and improving workplace procedures to optimise efficiency; and
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- reduced downtime by altering procedures and replacing all gaming tables and equipment with high quality alternatives. The equipment is now much newer, more appealing to customers, costs less to maintain, and is operationally more efficient.

The progress we have made in this short time is truly amazing, especially when considering the state of the property and business more generally when we first took ownership.

CASINO CANBERRA REDEVELOPMENT PROPOSAL

Turning now to the redevelopment proposal, which forms part of our longer-term strategy for growth in Canberra. I believe our proposal for the development of an integrated entertainment precinct in Canberra's CBD offers the ACT a once in a lifetime tourism infrastructure opportunity.

With direct international air access, Canberra can now vie for its share of international tourism in a way it could not before, and a world-class integrated entertainment facility located in the heart of the CBD will not only facilitate much needed urban renewal in the city centre, but also help attract thousands of tourists and create significant economic benefit for the ACT.

Aquis submitted its Detailed Business Case some significant time ago now, however the proposal remains in Stage 2 of the Unsolicited Proposal process with the ACT Government.

BUSINESS OUTLOOK

Looking forward, we commenced 2017 in strong form, with the roll out of a targeted VIP growth strategy to drive revenue, resulting in the highest month of volume in over 10 years of operation.

Management is now focussed on expense control, as we seek to capitalise on this ramp up in activity.

CONCLUSION

My fellow shareholders,

I'd like to conclude my address by thanking every employee – including Jessica and her management team, and congratulate them on a successful year of making progress towards realising our vision.

We are confident that through the initiatives implemented to date, we have laid a solid foundation on which to build sustainable and long-term success.

With your continued support, the Board has confidence that together we will continue building a bright future for Aquis Entertainment.

ENDS

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