



1Q'21 Earnings Release

2021. 05.

This presentation contains historical information of the company which should not be regarded as an indication of the future performance or results.

This presentation also contains forward-looking statements that are, by the nature, subject to significant risks and uncertainties.

These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance or results.

Actual results may differ materially from information contained in the forward-looking statements as a results of a number of factors beyond our control.



Table of Contents

1. 1Q'21 Earnings release
2. 1Q'21 Hotel business
3. 2Q'21 Business outlook

Appendix

- Jeju's Tourists Arrivals Trend
- 1Q'21 SG&A breakdown
- 1Q'21 Consolidated financial reports

1. 1Q'21 Earnings release

- 1Q'21 Revenue KRW 12.2bn (-5.2% yoy), Operating loss KRW -37.8bn, Net loss KRW 54.5bn
- 1Q'21 Operating loss increased mainly due to impact of depreciation cost and labor cost from Jeju Dream Tower Integrated Resort business

[Unit: KRW bn]

Income Statement	2021.1Q	2020.1Q	YoY	2020.4Q	QoQ
Revenue	12.2	12.9	-5.2%	0.2	490%
Hotel	10.9	-	-	7.5	1353%
Casino	0.01	1.3	-99%	0.5	-80%
Retail	6.8	-	-	6.0	1025%
Tourism	1.9	11.2	-98.3%	9.1	-79%
Others	4.6	3.8	-5.6%	3.5	33%
Operating Costs	50.0	20.5	144.3%	40.8	23%
COGS	17.1	8.6	100.0%	4.6	272%
SG&A ¹⁾	32.9	11.9	176.2%	36.2	-9%
Operating Profits	(37.8)	(7.6)	Deficit	(38.8)	Deficit
EBITDA	(21.9)	(6.1)	Deficit	(28.3)	Deficit
Financial Costs	(19.6) ²⁾	(4.3)	-	(5.4)	-
Net Income	(54.5)	(12.5)	Deficit	(47.0)	Deficit
Controlling Interest	(54.4)	(12.5)	Deficit	(47.0)	Deficit

1) Page 8: SG&A Breakdown

2) 1Q'21 Financial Costs: Interest costs KRW 14.4bn, Derivatives Loss KRW 2.1bn (US\$ based convertible bond), F/X loss KRW 2.5bn

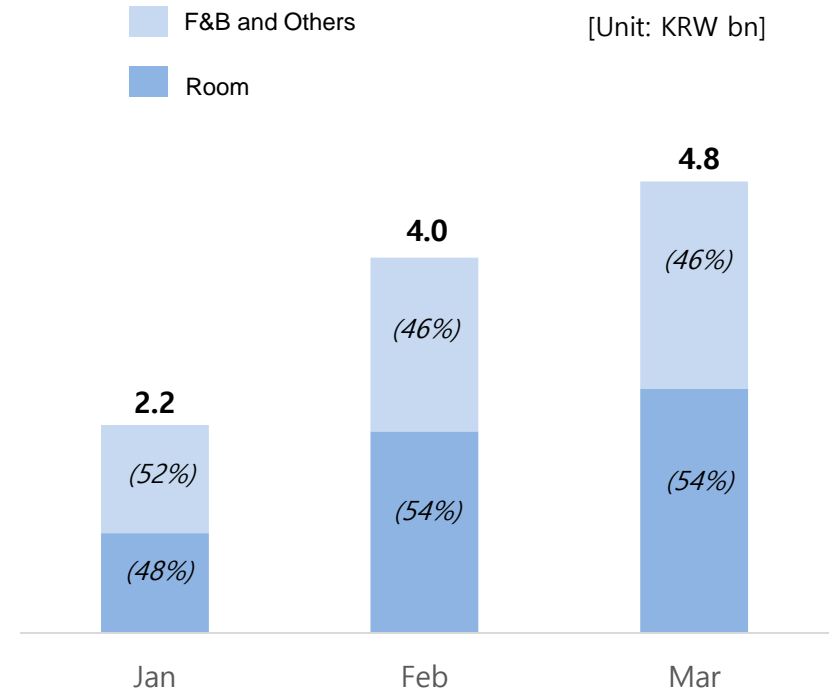
2. 1Q'21 Hotel Business

- 1Q'21 Hotel business revenue of KRW 10.9bn, driven by steady increase of OCC (Occupancy Rate) and ADR (Average Daily Rate)
- 1Q'21 OCC recorded 34% (Out of total 750 rooms)
- 1Q'21 Hotel revenue consists of 53% of room and 47% of F&B and others

Key Performance Indicators

	Jan	Feb	Mar	1Q'21
Total Rooms (750 rooms*Month dates)	23,250	21,000	23,250	67,500
Rooms sold	4,501	7,881	10,303	22,685
OCC	19%	38%	44%	34%
ADR(KRW)	234,715	270,552	250,918	254,524

Monthly Hotel Revenue Breakdown



[Hotel]

- Hotel OCC and ADR will continue to increase in 2Q'21, mainly driven by influx of visitors for Jeju island
- Second hotel tower (850 rooms) will be opened in 3Q'21, given summer vacation demand and Casino opening
- Operating losses will be reduced by offsetting major fixed costs (labor costs and depreciation costs) as hotel revenue continue to expand

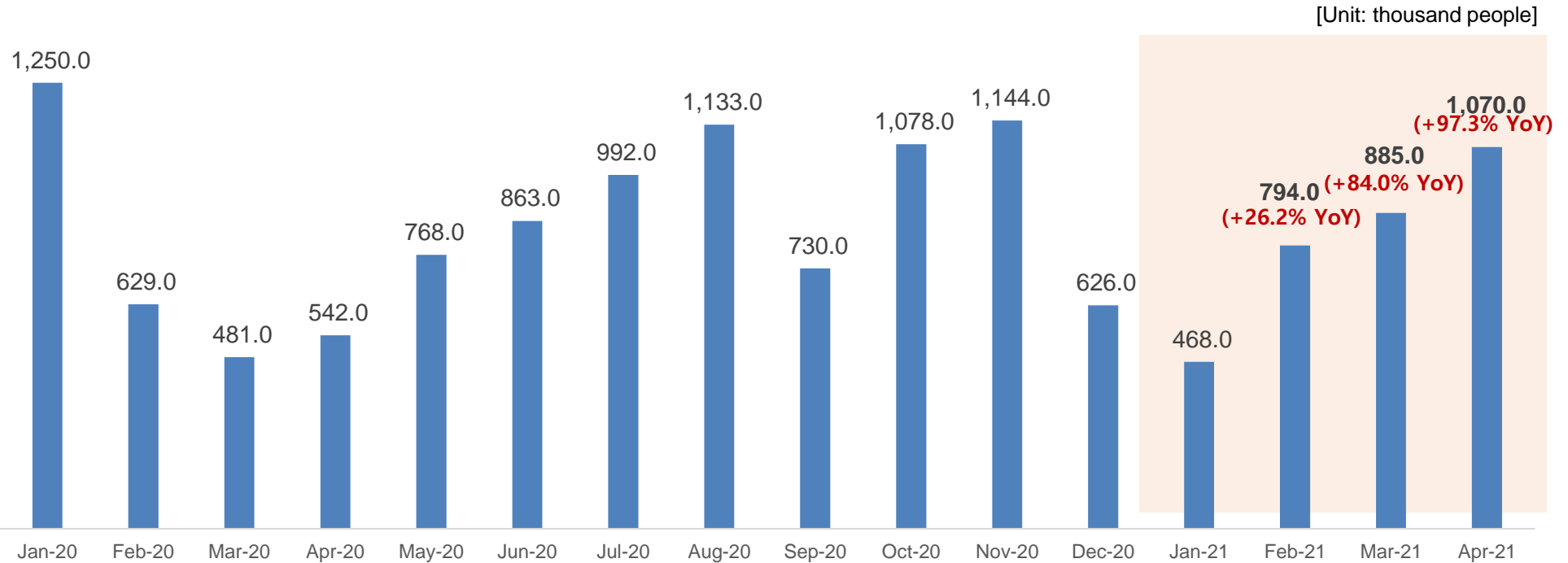
[Casino]

- Open June 11th after final permission for casino expansion and relocation by the Jeju governor in April
- Attract local foreign VIP/Mass customers through diverse marketing activities such as offering hotel rooms and opening events

[Retail]

- Retail sales will continue to increase in 2Q'21 thanks to the increasing visitors at Hotel and Casino

Appendix. Jeju's Tourists Arrivals Trend



- The number of visitors to Jeju island is soaring rapidly since easing the social distancing phase in Feb `21
- The number of visitors to Jeju island will continue to increase, driven by summer vacation season in 3Q

Appendix. SG&A breakdown

[Unit: KRW bn]

	1Q'21	1Q'20	YoY	4Q'20	QoQ
SG&A	32.9	11.9	176%	36.2	-9%
Labor Costs	8.3	7.2	16%	13.3	-37%
Depreciation Costs	15.9	1.5	928%	10.5	52%
Tangible Assets	15.4	1.3	1093%	10.0	54%
Intangible Assets	0.5	0.2	91%	0.5	16%
Marketing Costs	1.3	0.4	198%	0.2	445%
Water Utility Costs	2.6	0.001	23074%	0.7	298%
Others	4.8	2.7	-63%	11.6 ¹⁾	-91%

1) One off costs in 4Q'20 such as legal costs, commissions due to Jeju dream tower opening

Appendix. Consolidated financial statements

[Unit: KRW bn]

Balance Sheet	Mar. '21		Dec. '20	
Current Assets		89.2		124.8
Cash	77.8		80.9	
Account receivable	3.3		35.3	
Inventories	3.5		4.0	
Others	4.5		4.5	
Non-Current Assets		1,073.4		1,073.7
Tangible assets	964.5		965.3	
Intangible assets	49.8		50.2	
Others	59.1		58.3	
Assets		1,162.6	-	1,198.5
Current Liabilities		129.5		212.4
Accounts Payable	48.4		1.08.2	
ST Borrowings	53.3		80.6	
Lease debt	6.1		6.6	
Others	21.6		17.1	
Non-Current Liabilities		848.2		760.0
LT Borrowings	665.9		663.0	
Convertible Bonds	141.4		58.8	
Others	40.9		38.2	
Liabilities		977.7		972.3
Shareholder's Equity		184.9		226.1

[Unit: KRW bn]

Income Statement	1Q'21	1Q'20
Operating Revenue	12.2	12.9
Operating Costs	50.0	20.5
COGS	17.1	5.9
SG&A	32.9	11.5
Operating Profits(Loss)	(37.8)	(7.6)
Other Income	0.015	0.023
Other expenses	0.3	0.54
Financial income	0.13	0.44
Financial expenses	19.8	4.8
Profit before tax(loss)	(58.3)	(12.7)
Corporate tax	(3.8)	(0.1)
Net income(loss)	(54.5)	(12.5)
Controlling interest	(51.6)	(12.5)
Non-controlling interest	(0.1)	(0.01)