



Lotte Tour Development Investor Relations

June 2021



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1. Asian Casino Markets – Macau

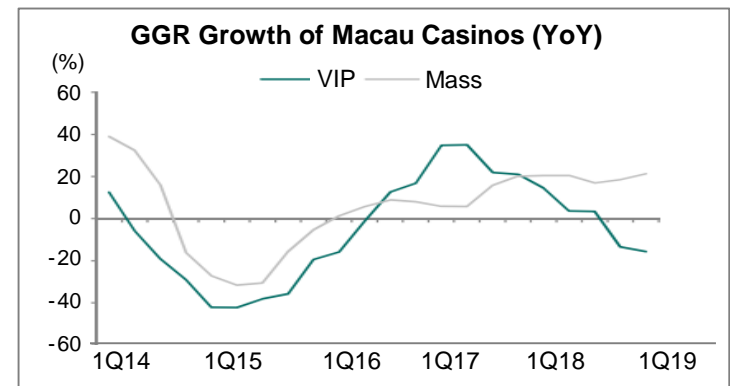
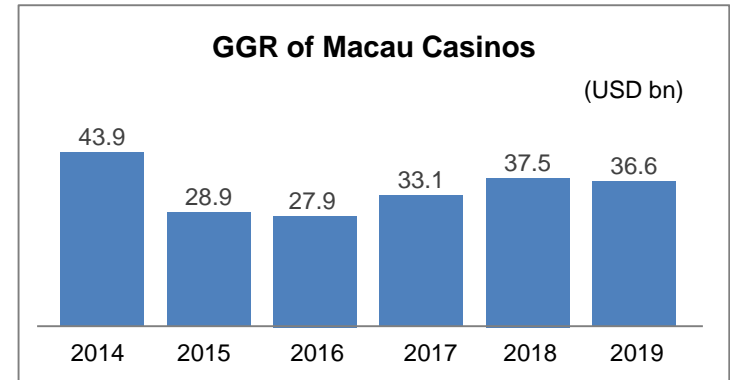
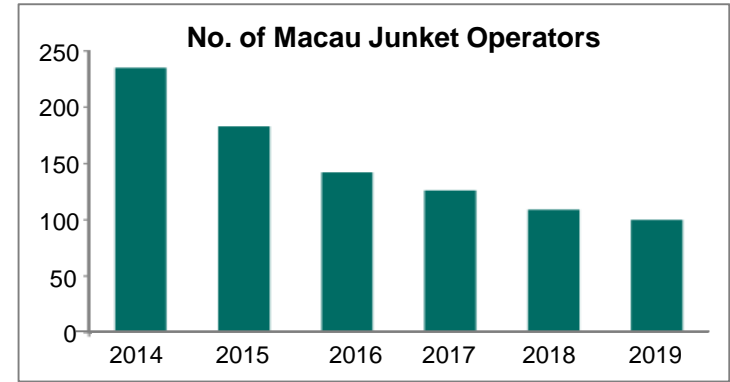
❑ Macau Junkets expand operations outside Macau

- Launch of Chinese government's anti-corruption campaign in 2014 and economic slowdown downsized Macau junket industry from 243 operators in 2014 to 100 operators in 2019, according to the Gaming Inspection and Coordination Bureau (DICJ)
- Macau's "Big 4" Junkets including unrivalled No.1 Suncity have expanded operations to new Integrated Resorts opening in Southeast Asian countries with favorable casino regulations such as Vietnam, Philippines, Cambodia, etc.
- Macau's biggest junket operator Suncity's non-Macau contribution in total revenue hiked from 10% in 2014 to 30% in 2019

❑ Integrated Resort attracts both VIP and Mass players

- With opening of world-class Integrated Resorts like The Venetian Macao, Galaxy Macau, and City of Dreams Macau, Macau rapidly replaced decreasing VIP with Mass players from neighbor countries visiting Integrated Resorts
- Macau's Integrated Resorts have set an successful example of fulfilling diverse needs of both VIP and Mass players by leveraging its non-casino facilities

✓ Integrated Resort attracts both VIP and Mass players



Source : The Gaming Inspection and Coordination Bureau (DICJ)

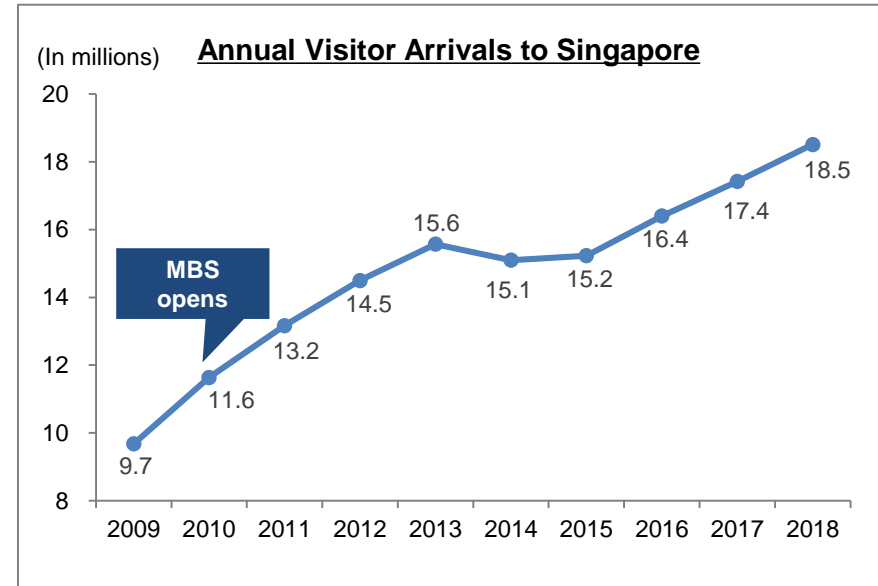
1. Asian Casino Markets – Singapore

□ Marina Bay Sands (MBS)

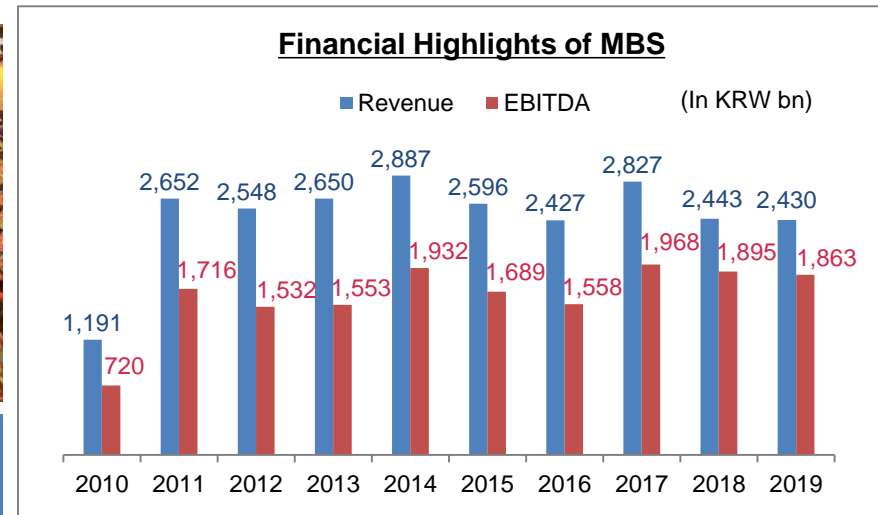
- Las Vegas Sands' USD 5.5 billion investment in Singapore quickly transformed Singapore into a tourist destination, thus bringing in more international travelers
- As Singapore's largest and the most notable landmark, Marina Bay Sands enjoyed increase in both hotel and casino revenue
- Prime location of city center (Central Business District of Marina Bay) attracted both tourists and business visitors alike to MBS
- With stringent Singapore government regulations on junket operators, mass players continue to be a key contributor for MBS casino's growth, securing annual revenue level of KRW 2tn
- Market capitalization of Las Vegas Sands Corp.(LVS) surged from KRW 11tn in 2009 before opening of MBS, to KRW 73tn in 2013 (KRW 59tn as of 2019)



- ✓ Landmark effect
- ✓ Prime location of downtown



Source : Singapore Tourism Board (STB)

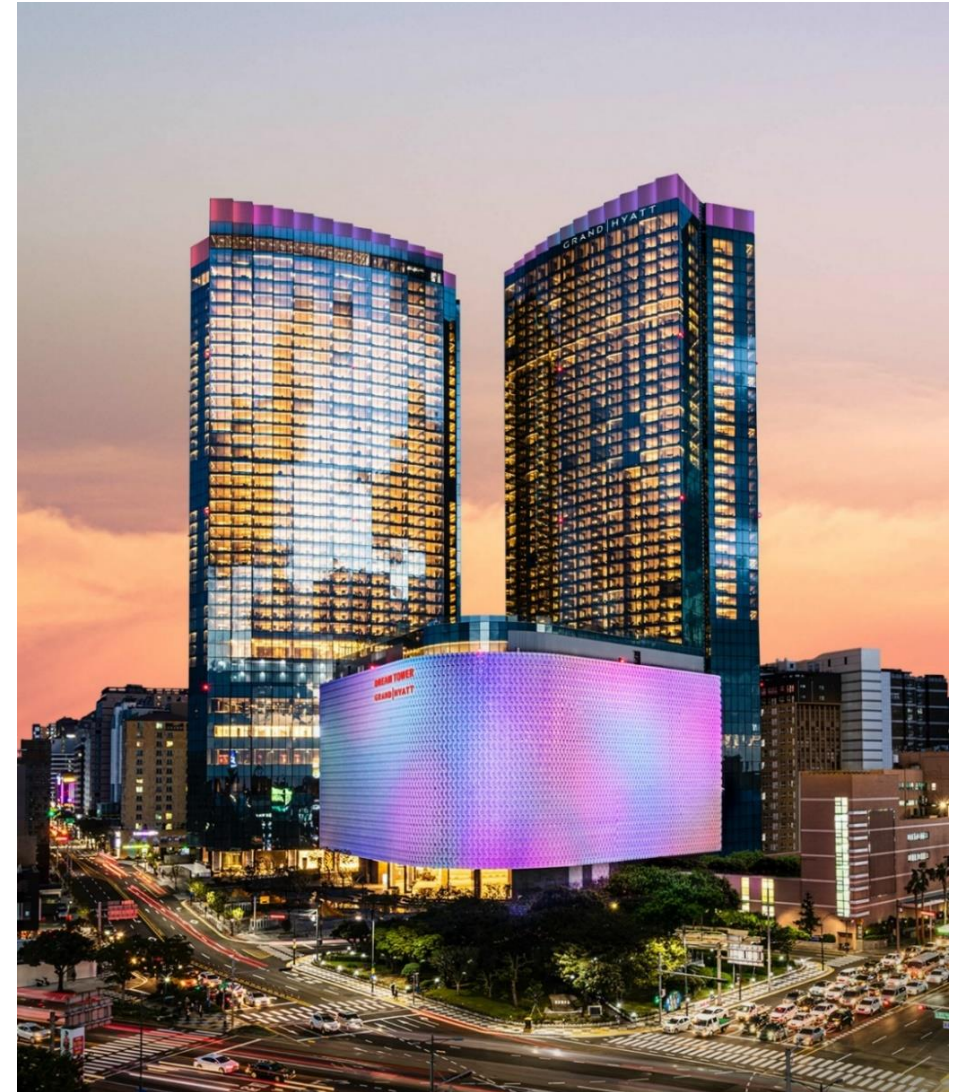


Source : LVS Annual Report

2. Jeju Dream Tower

□ Korea's First Downtown Integrated Resort

Co-Developer	<ul style="list-style-type: none"> • Lotte Tour Development, Greenland Group
Size	<ul style="list-style-type: none"> • Site Area 23,300m² (7,048py) • GFA 303,737m² (91,880py)
Floors / Height	<ul style="list-style-type: none"> • B6 to 38F / 169 m (Tallest Landmark in Jeju)
Hotel	<ul style="list-style-type: none"> • 1,600 Suite-size rooms
Foreigner-only Casino	<ul style="list-style-type: none"> • Casino Area 5,367m² (1,624py) • 148 Tables*, 261 Slot Machines & ETG * 25 tables for Junket VIPs (About 16% of total tables)
Key Facilities	<ul style="list-style-type: none"> • 10 MICE Meeting Rooms • 14 F&B Outlets • 2 Spas (European Spa, Korean Jjimjil Spa) • 2 Swimming Pools (Outdoor Infinity Pool, Indoor Pool)
CAPEX	<ul style="list-style-type: none"> • Total of KRW 1,088bn = Land 113.3bn + Construction 477.9bn + Interior 281.5bn + Operating Expense¹



Note 1. Operating Expense includes furniture and equipment related to hotel operations, etc.

2. Jeju Dream Tower

□ Korea's First Downtown Integrated Resort

▪ Location, Location, Location

- Located at Nohyung rotary, the heart of Jeju City where 5 major roads intersect
- Shilla & Lotte Duty Free Shops are located 600m away from Jeju Dream Tower
- Over 5,000 hotel rooms within 5 km radius

▪ 90.2% of foreigners' credit card payment are traced in downtown of Jeju City

□ Closest Visa-Free Integrated Resort from Northeast China

▪ From Shanghai, Jeju is closer than Macau

- Flight hours from Shanghai to Jeju : 90 minutes
- Flight hours from Shanghai to Macau : 160 minutes

▪ Jeju Dream Tower is only a 10-minute drive from Jeju Int'l Airport (3 km)

- Jeju Shinhwa World is a 1-hour drive from the airport

□ Jeju's Tallest & Largest Landmark Building

▪ Height of 169m, 38F

(3 times taller than Jeju's 55m Building Height Restriction)

▪ Largest building in Jeju with 1.8 times larger than Seoul 63 Square Building

▪ Asia's Largest Grand Hyatt Hotel

- All 1,600 suite-size rooms are located on top of 62m podium, providing unblocked panoramic views

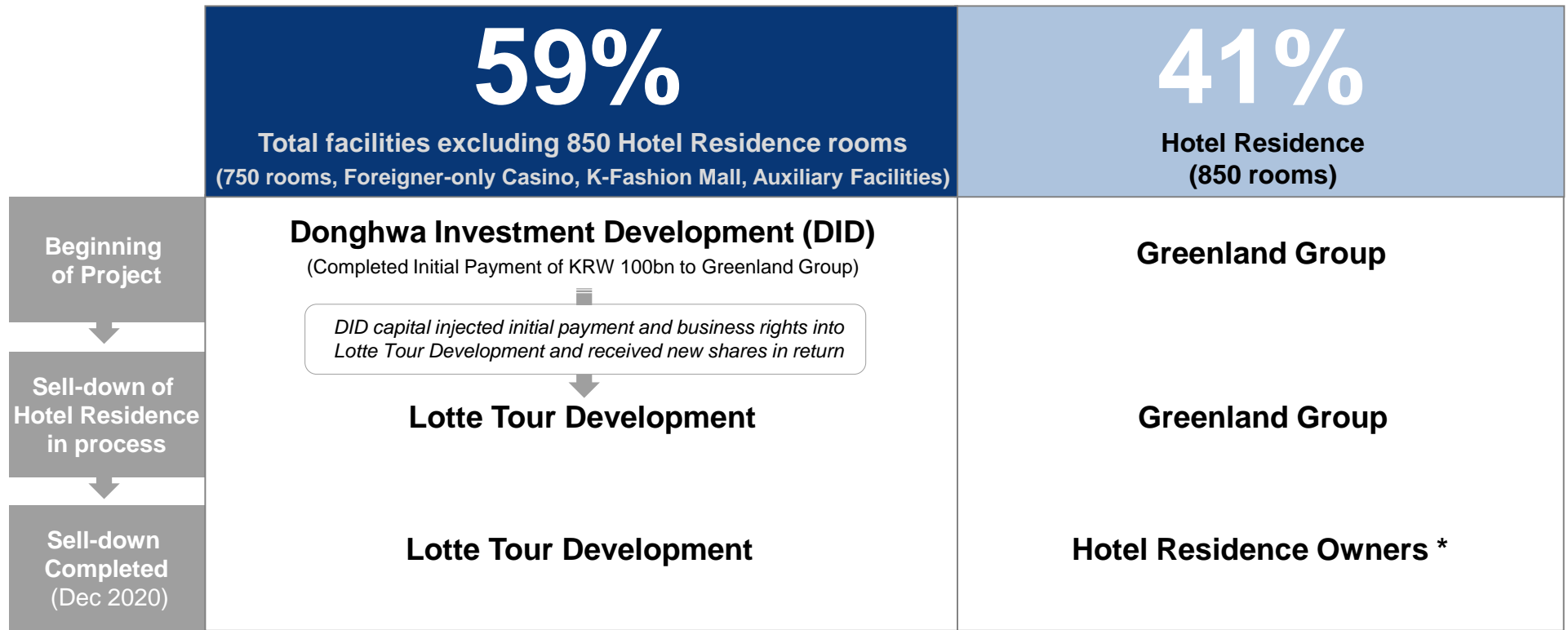


2. Jeju Dream Tower

□ 100% operated by Lotte Tour Development (59% Direct Ownership : 41% Long-term Lease)

- Total revenue earned by Jeju Dream Tower will be 100% reported in the income statement of Lotte Tour Development
- As per hotel management agreement, Hyatt Group manages overall hotel operations(rooms, F&B, auxiliary facilities) and will be provided with management fee in return

□ Project Summary



* Lotte Tour Development signed 20-year lease contract with Hotel Residence Owners as per below options:
 a) Pay 5% of unit's selling price & 24 nights of free stay per year **OR** b) Pay 6% of unit's selling price

2. Casino : Korea's First Downtown Integrated Resort

□ Game Changer of Korean Casino Industry

- Jeju Dream Tower Casino is similar size to Jeju Shinhwa World and Paradise City

(In KRW bn)

Integrated Resort (Opening Date)	Location (Downtown)	Tables & Slot Machines	Revenue (M/S)			
			1H18	2H18	1H19	2H19
Jeju Dream Tower (June 11, 2021)	Jeju (O)	148 Tables*, 261 Slots & ETG <i>*25 tables for Junket VIPs (16% of total tables)</i>	-	-	-	-
Jeju Shinhwa World (February 2018)	Jeju (X)	151 Tables, 201 Slots	387.2 (39.9%)	-2.4 (-%)	24.1 (3.6%)	38.4 (4.9%)
Paradise City (April 2017)	Incheon (X)	173 Tables, 427 Slots	109.4 (11.3%)	140.0 (21.4%)	161.7 (24.4%)	215.2 (27.4%)

Source : Korea Casino Association

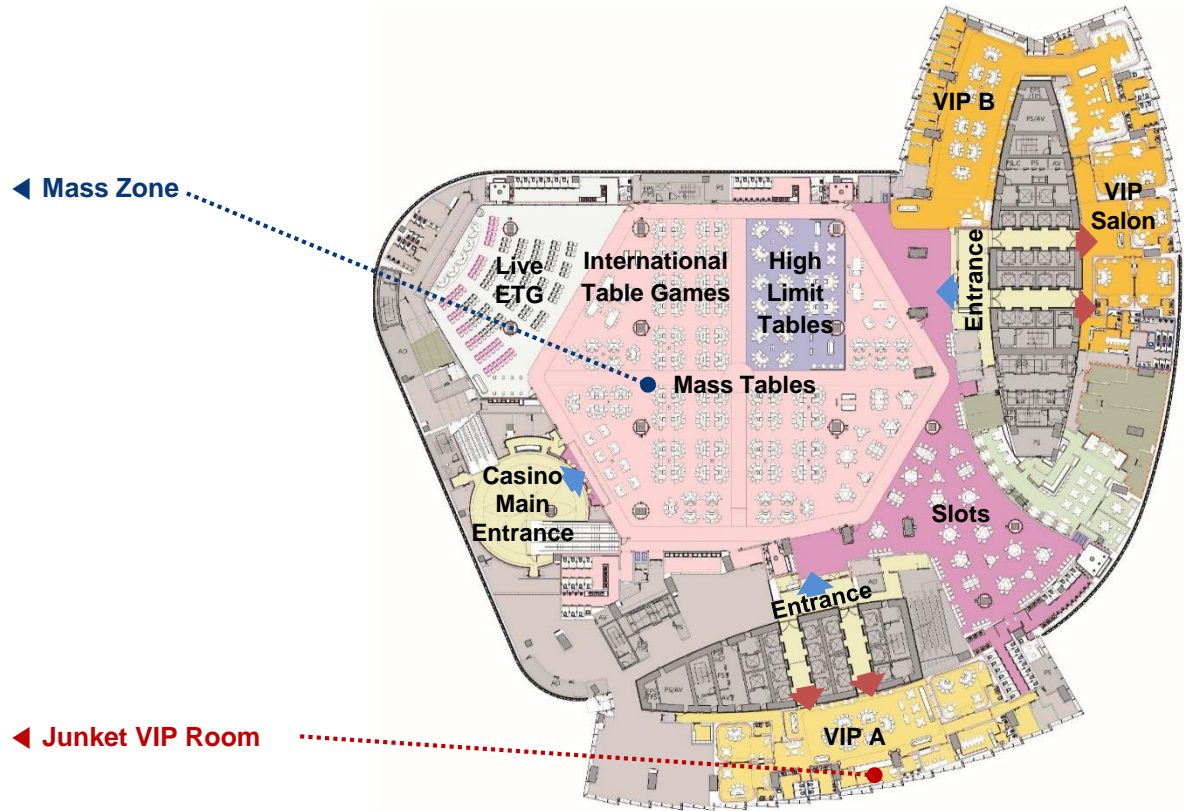
□ Key Executives with first-hand Integrated Resort experience

Name	Position in Jeju Dream Tower
Lawrence Teo	COO & Executive Vice President
Paul Kwok	General Manager (Grand Hyatt Jeju)
Oliver Weber	Executive Chef (Grand Hyatt Jeju)
Ken Qian	Managing Director of Casino Marketing
Alan Wong	Managing Director of International Marketing
Kelvin Lau	Director of Table Games
Kengy Yong	Director of Business Development
Betty Wong	Director of Loyalty Club
Lorenzo Danis	Director of Surveillance
Elisha Zhin	Director of Resort Services (VIP)
Susan Chan	Director of Casino Finance

2. Casino : Korea's First Downtown Integrated Resort

□ Competitive edge of Jeju Dream Tower will attract VIP players from Macau Junkets

- Jeju Dream Tower presents exclusive complimentary package to casino guests featuring a wide variety of non-casino facilities including 1,600 rooms, 14 F&B outlets, 2 Spas (European Spa and Korean Jjimjil Spa), and 2 swimming pools (outdoor infinity pool and indoor pool)
- With full leverage of Jeju's geographical advantage and no-visa entry policy, Jeju Dream Tower Casino will secure a competitive edge in attracting VIP players based in Macau, Shanghai and Beijing (Currently in discussion with Macau's top junket operators)
- As Jeju's largest and tallest landmark, Jeju Dream Tower will become a must-visit-destination for tourists (potential mass players) and business visitors



← Mass Zone

← Junket VIP Room

2. Casino : Korea's First Downtown Integrated Resort

□ Unrivalled cost-efficiency in complimentary package will enhance casino's profitability

- Jeju Dream Tower's ownership structure (directly owned and 100% operated by Lotte Tour Development) plays key role in maximizing cost efficiency of complimentary package, and will enhance casino's profitability

Category		Jeju Dream Tower	Paradise				GKL		
Location		Jeju (Downtown)	Seoul	Incheon	Busan	Jeju	Seoul	Seoul	Busan
Hotel Brand		Grand Hyatt Jeju	Walkerhill Seoul	Paradise City	Paradise Global	Maison Glad Jeju	InterContinental	Hilton	Lotte
No. of Rooms		1,600	426	769	532	513	656	700	729
No. of F&B Outlets ¹		14	11	8	3	3	5	5	6
Ownership		100% Direct Ownership	Lease	Direct Ownership (55% ²)	Direct	Lease	Lease	Lease	Lease
Casino	Table	148	100	173	53	36	78	50	42
	Slots/ETG	261	173	427	96	38	153	217	134

Source : Company Website, Annual Report/Business Report

Note 1. Excluding franchise outlets

Note 2. Ownership of Paradise City is 55% Paradise Group : 45% Sega Sammy Group

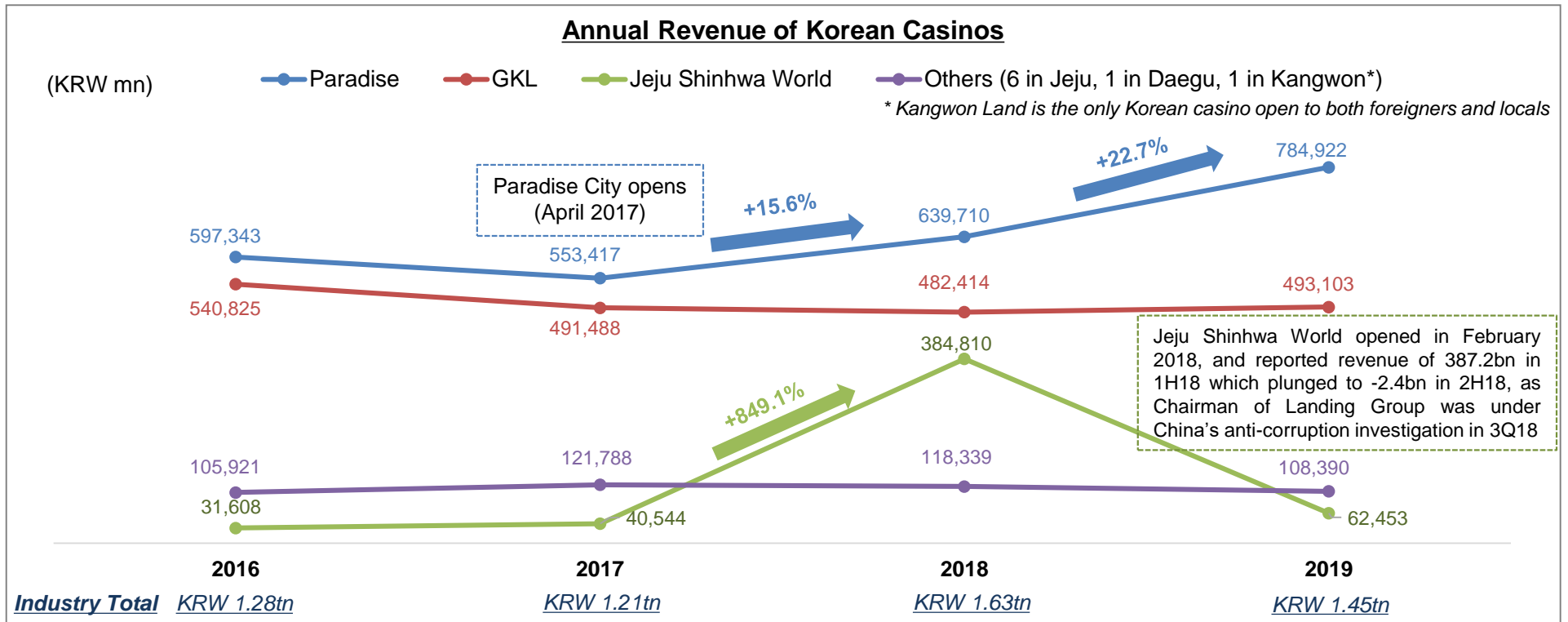
2. Casino : Korea's First Downtown Integrated Resort

□ Jeju Shinhwa World(JSW)'s Landing Casino reported GGR growth of 849.1% after opening in February 2018

- As the first Integrated Resort in Jeju, JSW fully leveraged Jeju's no-visa policy and translated into an unprecedented revenue, by attracted a significant inflow of new VIP players to Jeju
- Other Jeju casinos' revenue remained flat while JSW's revenue surged eight-fold after opening

□ Paradise Group recorded GGR growth of 41.8% in two years after opening Paradise City in Incheon

- Paradise City opened in April 2017 as the first Integrated Resort in Korea
- Paradise Group posted annual revenue growth of 15.6% in 2018, and 22.7% in 2019



Source : Ministry of Culture, Sports and Tourism

2. Hotel : Asia's Largest Grand Hyatt Hotel

□ Asia's largest, and the World's 2nd largest Grand Hyatt Hotel

- Compared to Jeju Shilla Hotel and Lotte Hotel Jeju with 400+ rooms and 2 MICE meeting rooms, Grand Hyatt Jeju offers incomparable 1,600 suite-size rooms (from 65m² to 260m²) and 10 MICE meeting rooms
- Grand Hyatt Jeju's prime location of sitting in the heart of Jeju City's downtown Nohyung district, with Jeju International Airport only 3km away, will capture diverse interest and needs across different guest groups from casino, MICE to local residents
- It will also attract a significant inflow of tourists those in favor of urban-location hotels with easy access of food and attractions
- Hyatt Group's landmark specialist Paul Kwok overlooks Grand Hyatt Jeju's operation as General Manager, followed by his previous role as General Manager of Grand Hyatt Macau
- Grand Hyatt Jeju's master chefs showcase authentic culinary journey in assorted menus across 14 F&B outlets



2. Retail : K-Fashion Mall 'HAN Collection'

□ First K-Fashion Mall with Top 200 K-Fashion Designers

- 'HAN Collection' is the first K-Fashion Mall featuring the newest trends led by Korea's top 200 designers, including but not limited to namesake labels as YCH and Jaebaek Couture that are beloved by K-pop stars BTS and Blackpink
- 'HAN Collection' will attract both tourists and locals alike, with a wide variety of trendsetting items across 14 select shops, together delivering an unconventional shopping experience and photogenic memories

□ Opened in Jeju and Seoul's landmark buildings

- Jeju Store : L3-L4 of Jeju Dream Tower
- Seoul Store : B1-L1 of Gwanghwamun Building (Dongwha Duty Free)

HAN K-FASHION MALL COLLECTION

Men's Casual

Street Casual

Women's Casual

Dream Bag

Men's Contemporary

Dream Shoes

Women's Contemporary

Dream Sunglasses

Fast Men

Dream T-Shirts

Fast Women

Dream Jewelry

Women's Trendy

Dream Kids



3. Earnings Forecast (Based on peer performance before COVID-19)

□ Casino : Annual Revenue of KRW 396.2bn to 1,196.9bn

(In KRW)

Jeju Dream Tower Casino *		GKL & Paradise (Annual average of 2013-2018)		Jeju Shinhwa World (Average of 1H 2018)		Galaxy Macau (Average of 2018)	
		Win/Unit/Day	Revenue	Win/Unit/Day	Revenue	Win/Unit/Day	Revenue
VIP Tables	25	6.43mn	58.7bn	19.50mn	177.9bn	48.78mn	445.1bn
Mass Tables	128	6.43mn	300.4bn	19.50mn	911.0bn	15.52mn	725.1bn
Slots & ETG	261	0.39mn	37.1bn	-	-	0.28mn	26.7bn
Total			396.2bn		1,088.9bn		1,196.9bn

* Based on 153 tables

□ Hotel : Annual Revenue of KRW 252.4bn to 299bn

Jeju Hotels' Revenue Breakdown (2019)

(In KRW)

Rooms Revenue : KRW 140.2bn to 186.8bn

- Occupancy Rate 80%, ADR 300,000won : KRW 140.2bn
- Occupancy Rate 80%, ADR 400,000won : KRW 186.8bn

Hotel	Occupancy Rate	Rooms Revenue	F&B Revenue	Auxiliary Facilities Rev.	Average Daily Rate
5-Star	76.5%	170.3bn	85.6bn	109.6bn	176,893
Others	65.7%	133.1bn	21.4bn	8.0bn	66,580

F&B and Auxiliary Facilities Revenue : KRW 112.2bn

- Assumption : 0.8 times of Rooms Revenue
- Note : According to 5-Star Hotel Statistics in 2019, revenue generated from F&B and Auxiliary Facilities recorded 1.14 times of Rooms Rev.

Source : Korea Hotel Association

Jeju Dream Tower's Total Revenue Forecast (Pre-COVID19)

KRW 671.0bn to 1,518.3bn



1Q 2021 Earnings Release

1. Financial Summary of 1Q 2021

- 1Q 2021 recorded operating revenue of KRW 12.2bn (QoQ +490%, YoY -5.2%)
- Operating loss slightly decreased QoQ to KRW 37.8bn. However, operating loss increased YoY, in reflection of growing SG&A and depreciation expenses driven by hotel operation

(KRW bn)

	1Q 2021	1Q 2020	YoY	4Q 2020	QoQ
Operating Revenue	12.2	12.9	-5.2%	2.1	490%
Hotel	11.0	-	-	0.7	1,368%
Casino	-	1.3	-	0.01	-
Retail	0.7	-	-	0.1	1,025%
Tourism	0.2	11.2	-98.3%	0.9	-79%
Others	0.4	0.4	-5.6%	0.3	3%
Operating Expenses	50.0	20.5	144.3%	40.8	23%
Operating Cost	17.1	8.6	100.0%	4.6	272%
SG&A Expenses ⁽¹⁾	32.9	11.9	176.2%	36.2	-9%
Operating Income (Loss)	(37.8)	(7.6)	Net Loss	(38.8)	Net Loss
EBITDA	(21.9)	(6.1)	Net Loss	(28.3)	Net Loss
G/L on Financial	(19.6) ⁽²⁾	(4.3)	-	(5.4)	-
Consolidated Net Income	(54.5)	(12.5)	Net Loss	(47.0)	Net Loss
Net Income attributable to Owners of the Company	(54.4)	(12.5)	Net Loss	(47.0)	Net Loss

Note 1. Details of SG&A Expenses in Appendix 2

Note 2. 1Q21 financial loss includes KRW 14.4bn interest expenses, KRW 2.1bn losses of derivative financial instruments (related to US\$60mn Convertible Bond), and KRW 2.5bn losses on foreign exchange translations

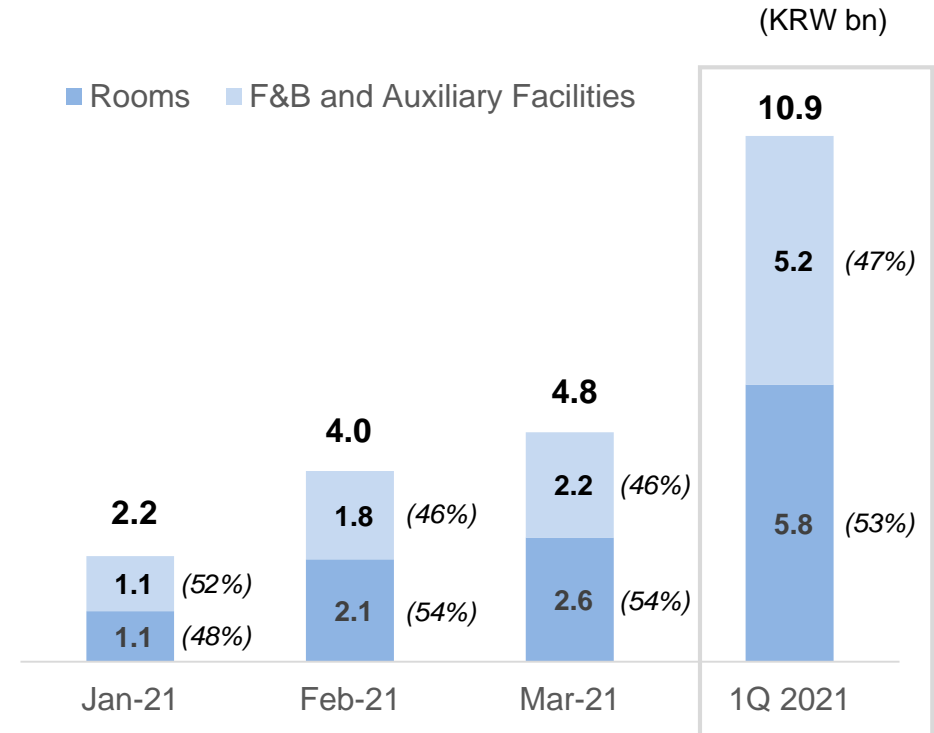
2. Highlights of Hotel Business in 1Q 2021

- Grand Hyatt Jeju closed the first quarter of 2021 with revenue of KRW 10.9bn
- As both room occupancy and average daily rate improved MoM, quarterly occupancy of available rooms hit 87% with average daily rate of KRW 254,524
- Rooms dominated 53% of hotel revenue while F&B and auxiliary facilities contributed 47%

Business Performance Indicators

	Jan	Feb	Mar	1Q21
No. of Total Rooms (750 Rooms*days)	23,250	21,000	23,250	67,500
No. of Rooms Sold	4,501	7,881	10,303	22,685
Occupancy Rate (750 Rooms)	19%	38%	44%	34%
Occupancy Rate (Available Rooms)	86%	90%	86%	87%
Average Daily Rate (in KRW)	234,715	270,552	250,918	254,524

Monthly Hotel Revenues



3. 2Q 2021 Outlook by Business

□ Hotel

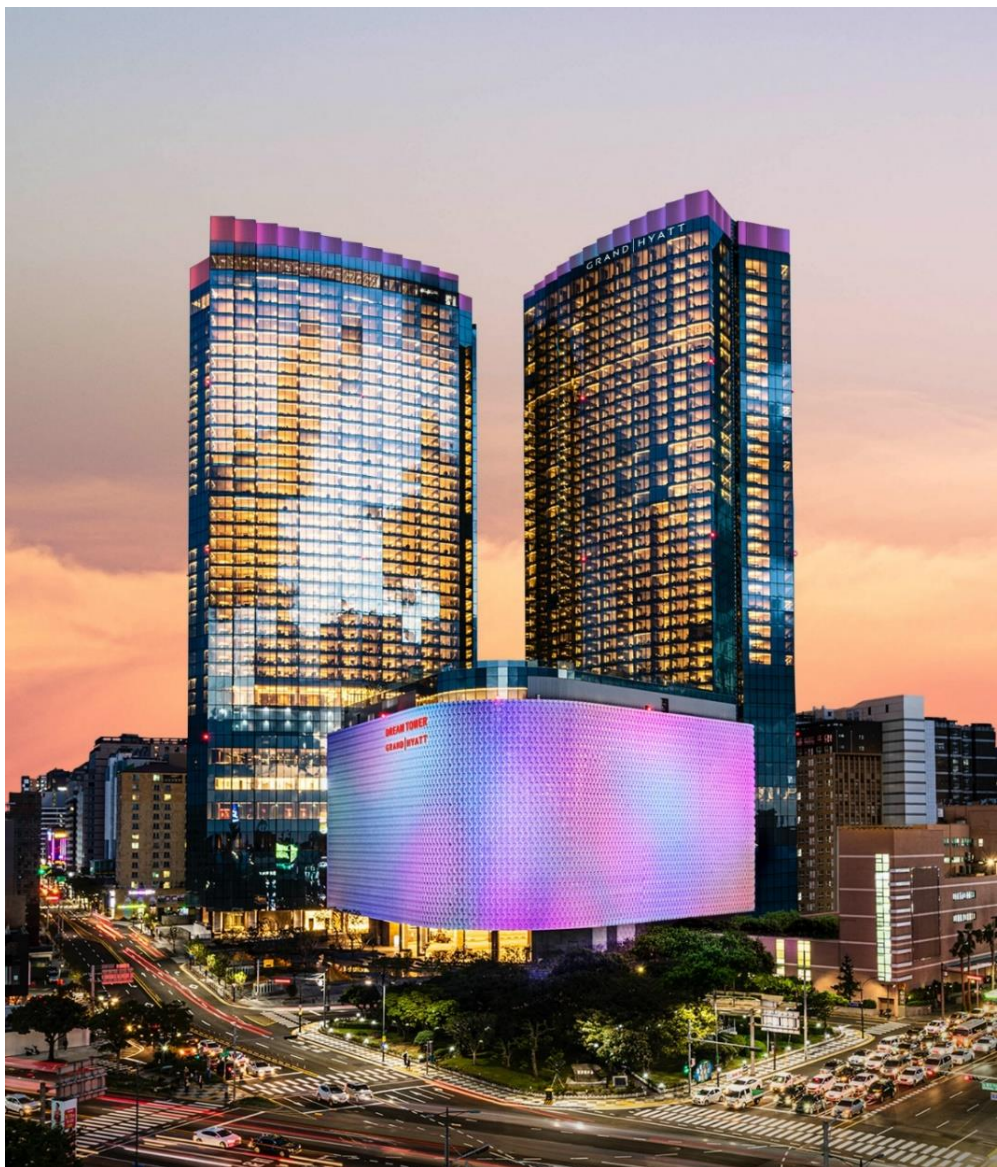
- Both room occupancy and average daily rate will continue to grow QoQ as Jeju welcomes a significant rebound of visitations to pre-pandemic level
- Planning to open another hotel tower with 850 rooms due to strong demand driven by casino opening and summer peak season
- Hotel's profitability may improve if revenue increases to the level to offset major fixed expense (i.e. labor cost and depreciation)

□ Casino (Opened in June 11, 2021)

- Jeju Dream Tower became Korea's third Integrated Resort (First Integrated Resort with Downtown location)
- Marketing activities during pandemic will focus on inviting local foreigners (both Mass and VIP) based in Korea

□ Retail (HAN Collection)

- Retail business likely to observe increase in revenue as Grand Hyatt Jeju attracts more guests to Jeju Dream Tower
- Adopting various social media marketing tools such as influencer marketing

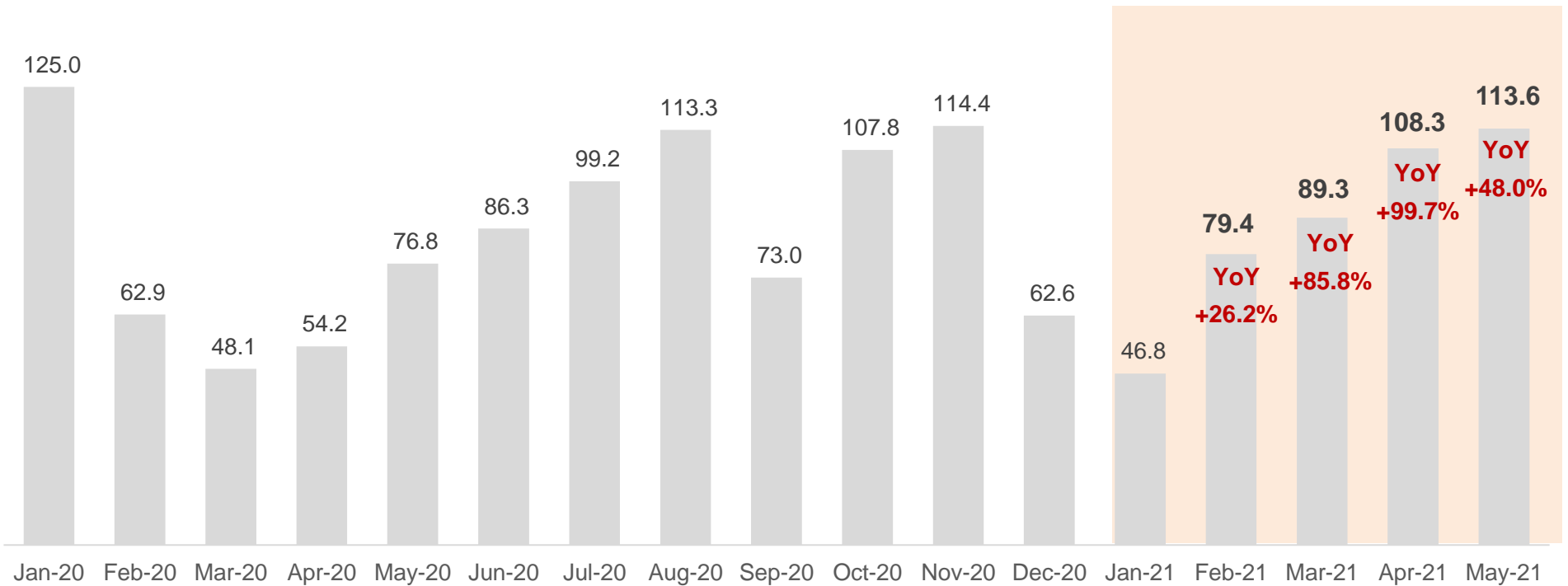


Appendix

Appendix 1. Monthly Visitor Arrivals to Jeju

Monthly Visitor Arrivals to Jeju

(In 10,000)



- Jeju visitation dropped to a historical low in January 2021, but soon started a steep rebound fueled by the easing of social distancing in February. It only took two months to fully recover pre-pandemic level of visitation.
- Improved confidence in travel is likely to continue in 2Q 2021, as the expansion of vaccine distribution encourages travel bubble discussions while enticing holiday travelers to Jeju for upcoming summer vacation season.

Source: Jeju Special Self-Governing Provincial Tourism Association (JTA)

Appendix 2. 1Q21 SG&A Expenses

(KRW bn)

	1Q 2021	1Q 2020	YoY	4Q 2020	QoQ
SG&A Expenses	32.9	11.9	176%	36.2	-9%
Labor Cost & Related	8.3	7.2	16%	13.3	-37%
Depreciation	15.9	1.5	928%	10.5	52%
Property, Plant and Equipment	15.4	1.3	1,093%	10.0	54%
Intangible Assets	0.5	0.3	91%	0.4	16%
Marketing	1.3	0.4	198%	0.2	445%
Utilities	2.6	0.01	23,074%	0.7	298%
Others	4.8	2.7	-63%	11.5 ⁽¹⁾	-91%

Note 1. Including one-off expenses (i.e. commission fee, supplies) related to Jeju Dream Tower's opening in 4Q 2020

Appendix 3. 1Q21 Financial Statements (Consolidated)

□ Balance Sheet

(KRW bn)

	1Q 2021	4Q 2020
I. Current Assets	89.2	124.8
Cash and Cash Equivalents	77.8	80.9
Trade Account Receivables	0.9	0.6
Non-Trade Account Receivables	2.4	34.7
Inventories	3.5	4.0
Other Current Assets	4.5	4.5
II. Non-Current Assets	1,073.4	1,073.7
Long-term Bank Deposits	9.1	9.1
Property, Plant and Equipment	964.5	965.3
Intangible Assets	49.8	50.2
Other Non-Current Assets	50.0	49.2
Total Assets	1,162.6	1,198.5
I. Current Liabilities	129.5	212.4
Trade Account Payables	3.3	0.7
Short-term Borrowings	53.3	80.6
Short-term Lease Liabilities	6.1	6.6
Non-Trade Account Payables	45.1	107.5
Other Current Liabilities	21.6	17.1
II. Non-Current Liabilities	848.2	760.0
Long-term Borrowings	665.9	663.0
Convertible Bonds	141.4	58.8
Other Non-Current Liabilities	40.9	38.2
Total Liabilities	977.7	972.3
Total Equity	184.9	226.1

□ P/L

(KRW bn)

	1Q 2021	1Q 2020
Operating Revenue	12.2	12.9
Operating Expenses	50.0	20.5
Operating Cost	17.1	5.9
SG&A Expense	32.9	11.5
Operating Income (Loss)	(37.8)	(7.6)
Other Income	0.02	0.02
Other Expenses	0.3	0.5
Financial Income	0.1	0.4
Financial Expenses	19.8	4.8
Pre-Tax Income	(58.3)	(12.7)
Income Tax Expense	(3.8)	(0.1)
Net Income (Loss)	(54.5)	(12.5)
Net Income attributable to Owners of the Company	(51.6)	(12.5)
Net Income attributable to Non-controlling Interests	(0.1)	(0.01)

Appendix 4. 1Q21 Financial Statements (Standalone)

□ Balance Sheet

(KRW bn)

	1Q 2021		4Q 2020	
I. Current Assets		93.9		127.0
Cash and Cash Equivalents	77.8		80.9	
Trade Account Receivables	0.8		0.4	
Non-Trade Account Receivables	0.2		34.8	
Inventories	3.5		3.9	
Other Current Assets	11.6		6.9	
II. Non-Current Assets		1,079.1		1,078.6
Long-term Bank Deposits	9.1		9.1	
Property, Plant and Equipment	875.0		965.1	
Intangible Assets	7.1		7.4	
Other Non-Current Assets	188.0		97.0	
Total Assets		1,173.0		1,205.5
I. Current Liabilities		116.6		199.0
Trade Account Payables	3.3		0.7	
Short-term Borrowings	49.6		76.7	
Short-term Lease Liabilities	5.5		5.6	
Non-Trade Account Payables	40.3		102.5	
Other Current Liabilities	18.0		13.4	
II. Non-Current Liabilities		843.5		755.3
Long-term Borrowings	665.9		663.0	
Convertible Bonds	141.4		58.8	
Other Non-Current Liabilities	36.2		33.6	
Total Liabilities		960.2		954.3
Total Equity		212.8		251.2

□ P/L

(KRW bn)

	1Q 2021	1Q 2020
Operating Revenue	12.6	11.2
Operating Expenses	48.3	17.4
Operating Cost	15.9	5.9
SG&A Expense	32.4	11.5
Operating Income (Loss)	(35.6)	(6.3)
Other Income	0.02	0.02
Other Expenses	0.3	0.5
Financial Income	0.2	0.4
Financial Expenses	19.7	4.7
Pre-Tax Income	(55.5)	(11.1)
Income Tax Expense	(3.8)	(0.1)
Net Income (Loss)	(51.7)	(10.9)

Appendix 5. Financing Summary

□ Secured sufficient liquidity

- As of end-2020, Cash KRW 90bn + Issued KRW 94.26bn of Convertible Bonds + VAT Refund KRW 34bn (Refunded in Feb 2021)

(KRW bn)

Category	Amount	2015	2017	2018		2019			2020	2021
		4Q	3Q	3Q	4Q	1Q	2Q	3Q	4Q <i>Jeju Dream Tower Opens</i>	1Q
Financing (Completed)	Capital Injection	100	100							
	Convertible Bond (in KRW)	40	40							
	Rights Offering	215.8			215.8					
	Convertible Bond (in USD)	71						71		
	Total	426.8	100	40		215.8			71	
	Loan ¹	700							700	
	Convertible Bond (in KRW) ²	94.26								94.26

Note 1. Received loan with average interest rate of 4.3% (KRW 600bn for interest rate of 4.05%, KRW 100bn for interest rate of 5.90%)

Note 2. Issued KRW 94.26bn of Convertible Bond (Coupon 2.5%, Conversion price 15,550 won)

□ Lotte Tour Development (KOSPI 032350)

- Established on May 24, 1971
- Listed on Korea Stock Exchange(KOSPI) since June 8, 2006
- Top Management (Representative Directors)
 - Kibyoung Kim (1991-1998, 2004-Present)
 - Hanjoon Kim (2020-Present)
 - Hyun Baek (2015-Present)
- Purpose of Business
 - Tour service, Chartered transportation (Bus, Airline, Cruise), Real estate development, Hotel, Casino, etc.
- Affiliates
 - LT Entertainment, Lotte Tour, Dongwha Investment Development, Dongwha Duty Free, Donghwa New Tech, My Daily, Mirim School

□ Ownership

