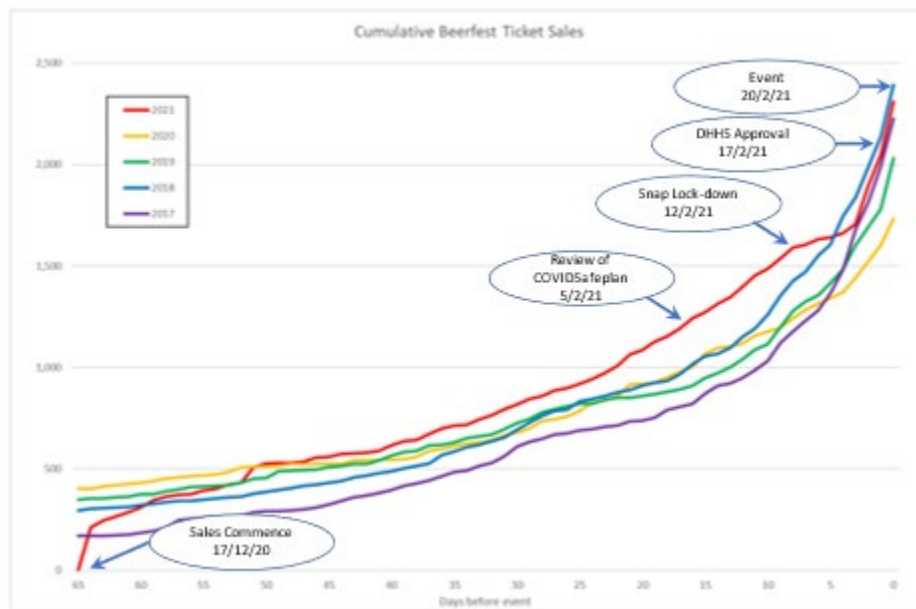


Festival Enterprises operate regional craft beer festivals providing a channel for Victorian independent craft brewers to markets that respect and are willing to buy their differentiated premium products. Our festivals also provide employment to local bands, children’s entertainers, and other event staff for the period leading up to and including the event.

In 2021 we ran a festival in Ballarat that was negatively impact by the uncertainty created by the Victorian Government’s response to the COVID-19 crisis.

Our events team originally planned to hold two events in Ballarat; a beer festival on Saturday 20th February (“BeerFest”) and a music/dance festival on the Sunday 21st February (“Funk’n’Fest”). COVIDSafe plans were submitted for both early in November 2020. No response to the COVIDSafe plans was received from the DHHS but tickets for both events went on sale on the 17th December, a month later than previous years. Initial response to the events was quite positive (as shown in the timeline below that compares ticket sales for all festivals since 2017).



COVIDSafe constraints impact ticket sales

DHHS scheduled a tele-conference review of the COVIDSafe plans on the 5th February and expressed concerns over projected attendance numbers and dancing at the events. As a result, we chose to limit BeerFest attendance numbers to 2,000 per session, remove the dance floor at BeerFest, and to cancel Funk’n’Fest. 90 Funk’n’Fest ticket holders were immediately notified, and full refunds provided.

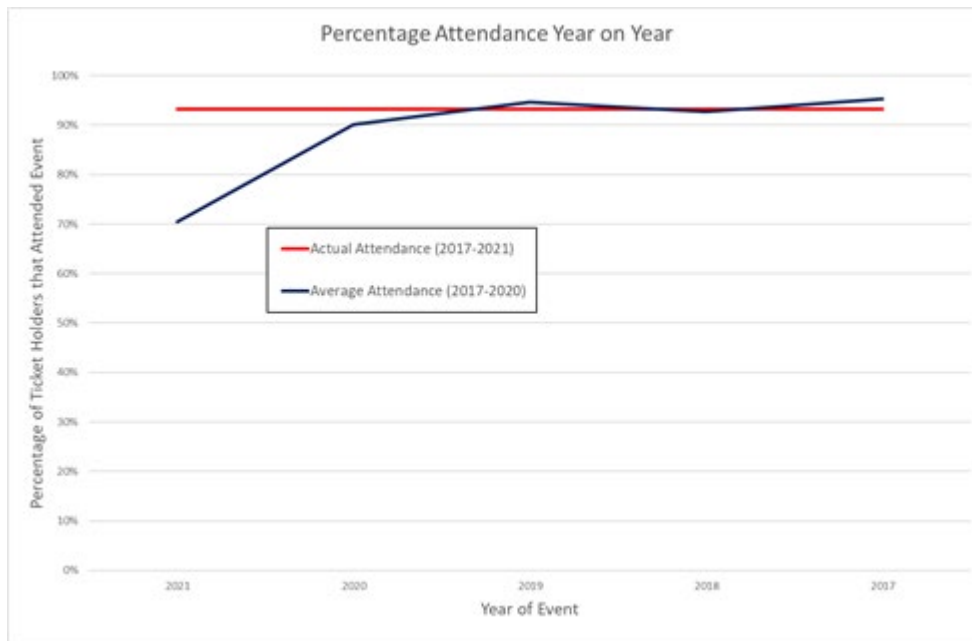
A snap lock-down impacts ticket sales

Ticket sales proceeded well until the Victorian Government imposed a snap lock-down on the 12th February. We would have expected to reach our limit of 2,000 full day equivalent ticket sales but fell short at 1,873 (2,521 tickets for a combination of half and full day sessions). Regardless, sales exceeded 2020 sales by 27% and the long term average by 18% (as shown in the graph below).



Increased number of non-attendees

Each year around 7% of ticket holders do not attend on the day of the event. In 2021 1,677 ticket holders attended (or 1,319 full day equivalents) an increase to 29% of the full day equivalent ticket holders (refer to the graph below).



Cancellations due to COVID

BeerFest fully refunded the full value of tickets to ticket holders unable to attend the event due to COVID infection, isolation associated to infection, or to front-line staff who could not attend. This resulted in 15 cancellations/refunds.

In summary, we are delighted by the outcome of the action taken by the Government in containing the spread of the virus but feel a more nuanced approach with better communication was warranted.