

Moelis Australia Acquires Controlling Interest in Infinite Care

Scale Investment in Australian Aged Care Sector

Sydney, 19 September 2017 – Moelis Australia Limited (“Moelis Australia”) (ASX: MOE) has entered into an agreement with Next Capital to acquire a controlling interest in Infinite Care, an operator and developer of aged care facilities in Australia. The acquisition involves Moelis Australia paying \$45.4 million for a 70% interest in Infinite Care in addition to the establishment of the Moelis Australia Healthcare REIT. Infinite Care’s founding management will retain its 30% stake in Infinite Care.

Infinite Care is an industry leader in the delivery of responsive, holistic and innovative care and services to the ageing community. Infinite Care currently operates a portfolio of 5 recently refurbished aged care facilities and has a development pipeline of ~1,500 bed licenses across 13 to be developed facilities in areas of aged care undersupply.

Moelis Australia will hold its interest in Infinite Care in a newly established managed fund, the Moelis Australia Aged Care Fund (“Infinite Fund”). Moelis Australia intends to offer third party investors the opportunity to co-invest in the Infinite Fund with Moelis Australia retaining a co-investment stake of not less than 10%. Founders and Joint Managing Directors of Infinite Care, Chris Stride and Tony Partridge will continue to run the business.

The Infinite Fund is targeting a total return to third-party co-investors of 20%+ per annum over a 4 year term. The Infinite Fund will provide investors with exposure to the attractive fundamentals of the Australian aged care sector via co-investment in an established operator with a large development pipeline. Profitable and cash flow generative, Infinite Care has an existing ~400 bed platform, an established head office function and a substantial greenfield development pipeline of ~1,500 bed licenses across 13 to be developed facilities in areas of aged care undersupply. Importantly, Infinite Care has a highly experienced and financially aligned management team, with a strong track record in aged care.

Fully developed, Infinite Care’s 1,500 bed pipeline of new aged care facilities should have a total value in excess of \$450 million.

As a component of the transaction the Moelis Australia Healthcare REIT (“REIT”) will acquire the freehold real estate and provide development funding for 2 of Infinite Care’s new aged care facility developments. The initial investment of \$44.5 million in equity to acquire and fund these assets will be fully subscribed by funds managed by Moelis Australia. The REIT is forecast to deliver investors a distribution yield of approximately 7% per annum and total return of 10% per annum. Moelis Australia will manage the REIT. The REIT has potential to grow over time as new facilities are acquired and/or developed.

Andrew Pridham, Chief Executive Officer of Moelis Australia said “We are excited by the opportunity to invest in the Australian aged care sector and offer our investors exposure to an industry which we believe has very favourable fundamentals, driven by Australia’s rapidly aging population and looming undersupply of aged care facilities.

We believe Infinite Care is a quality business with significant potential for growth. It is led by a highly experienced and aligned management team and we look forward to supporting Chris and Tony over the coming years as they grow the business.

This investment in the Australian aged care sector is consistent with our strategy of investing in what we believe are attractive industry segments characterised by sound macro fundamentals, underlying real estate exposure and quality management teams.

This transaction highlights our ability to originate attractive high return opportunities for clients of our asset management business and Moelis Australia, and we look forward to growing our activities in the aged care sector over time.”

The transaction is conditional on FIRB approval and standard closing conditions and is expected to complete in late October 2017.

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