

## Redcape Hotel Group Initial Public Offering

Sydney, 1 November 2018

Moelis Australia Limited (ASX:MOE) is pleased to advise that the Product Disclosure Statement (“PDS”) relating to the Initial Public Offer of the Redcape Hotel Group<sup>1</sup> (“Redcape”) is intended to be lodged with ASIC today<sup>2</sup>.

This follows a successful book-build of sophisticated and institutional investors by Ord Minnett Limited and Moelis Australia Advisory Pty Ltd (“Joint Lead Managers”). Demand was well in excess of the \$40m maximum new security issuance sought by Redcape under the offer.

In addition to the \$40m issuance of new securities in Redcape there will be a sale of up to \$20m of existing securities on behalf of SaleCo (representing existing Moelis Australia related security-holders). Of this, \$10m has been underwritten by the Joint Lead Managers and allocated to institutional and sophisticated investors that participated in the book-build process. The remaining \$10m will be available to other investors (including retail investors), following the ASIC review period of the PDS.

Assuming the maximum \$20m sell down by SaleCo, Moelis Australia related entities will own approximately 37% of Redcape at IPO.

Redcape’s anticipated ASX listing date is 30 November 2018 and its stapled securities will trade under the code ASX:RDC.

Redcape owns 32 hotels valued at over \$1.0 billion and will have a market capitalisation of \$623 million at its issue price. The forecast FY19 cash distribution yield is 7.7%, with distributions paid quarterly.

Dan Brady, Chief Executive Officer of Redcape Hotel Group said “We are delighted in moving toward being a listed business. We believe the quality of our hotel assets, growth opportunities and management proposition is unique. I wish to acknowledge our existing 1,150 securityholders for their ongoing support and also thank those investors who have subscribed to the IPO on recognising the defensive nature and cash yield of the business as attractive.

Support for the IPO has been encouraging. In spite of recent financial market volatility investor demand well exceeded the \$40m in new equity sought by Redcape. I believe that we can continue to deliver consistent and strong distributions and progressively build earnings and the value of the underlying real estate with value accretive development and portfolio management.”

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<sup>1</sup> Redcape Hotel Group Management Ltd (ACN 610 990 004) (AFSL 505932) is the responsible entity of Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) (together “Redcape Hotel Group”).

<sup>2</sup> The PDS will be issued by Redcape Hotel Group Management Ltd (ACN 610 990 004) (AFSL 505932) and RHGM SaleCo Pty Ltd (ACN 625 109 211) (“SaleCo”).

The Head of Moelis Australia Asset Management (“MAAM”) Andrew Martin commented “When we acquired Redcape in July 2017 MAAM undertook to its clients to seek an IPO within 12-18 months. We are delighted to meet this objective and that Redcape has been successful in raising \$40 million in new capital to finance the acquisition of three additional hotel assets. Redcape has performed strongly since acquisition and delivered our clients excellent returns. We are confident it will continue to be an attractive investment.”

*The stapled securities in Redcape Hotel Group available under the offer will be issued by Redcape Hotel Group Management Ltd and RHGM SaleCo Pty Ltd. A product disclosure statement will be lodged with ASIC and available on the Redcape website when the offer opens which is expected to be on 12 November 2018. Potential investors should consider the product disclosure statement in deciding whether to acquire Redcape Hotel Group stapled securities.*

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