

Redcape Hotel Group

Director's Net Asset Value quarter ending 31 December 2021

17 January 2022

Redcape Hotel Group Management Ltd, as responsible entity of Redcape Hotel Group ("Redcape", "Group") confirms an increased Director's Net Asset Value (NAV) per security (Unit Price), driven by a \$62.4m revaluation of the Group's longest-dated hospitality assets to reflect current market conditions.

Redcape's Directors' Unit Price has increased from \$1.3585 at 1 December 2021 to \$1.4657 at 4 January 2022. The 10.72 cps increase is a result of growing confidence in the hospitality sector, the continued transactional buoyancy in hospitality assets and the Group's continued positive trading momentum.

The Directors' valuations completed to 31 December 2021 reflect recent sales data transactions which have pointed to a tightening of the capitalisation rates, particularly across Western Sydney venues, which now reflects a blended capitalisation rate of 7.0% at December 2021 versus 7.7% at June 2021 for the entire portfolio.

The Group has commenced rolling independent valuations which remain on track to be completed in the next 18 months in accordance with the Group's Valuation Policy which specifies that they be undertaken on a rolling 24-month bases.

The positive trading performance of Redcape, with its portfolio of quality hospitality assets, is evidence of the business' operational agility and its ability to deliver improved earnings performance.

As a community and customer centric business, the performance of the Fund demonstrates the resilience of its model, strong operating platform and calm, deliberate and disciplined approach to returning to strategy.

Redcape CEO Dan Brady said, "We are a people first business. We understand people are the number one value drivers of our performance. This performance has been achieved through our focus on the engagement, wellbeing and development of our staff and, further investment in leading-edge digital platform capability to enhance customer engagement and build stronger connections with communities."

Enquiries: If you have any questions regarding your investment, please speak to your financial adviser or contact Client Services via MAclientservices@MAFinancial.com or +61 2 8288 5594.

This statement has been issued by Redcape Hotel Group Management Ltd (ACN 610 990 0041) (AFSL 505932), the issuer and responsible entity of the Redcape Hotel Group (which comprises the Redcape Hotel Trust I, ARSN 629 354 614 and the Redcape Hotel Trust II, ARSN 629 354 696) (Fund). MA Hotel Management Pty Ltd (ACN 619 297 228) is the appointed investment manager of the Fund. This statement is provided for informational purposes only and does not take into consideration your objectives, financial situation or needs. Before making any investment decision, you should consider obtaining professional investment advice and read the current Product Disclosure Statement dated 2 November 2021 (PDS) available at Redcape Hotel Group - MA Financial Group (Moelis).