

# Continuous disclosure

November 2022

Redcape Hotel Group Management Limited ACN 610 990 004 the issuer and responsible entity (the Responsible Entity) for the stapled securities in the Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) (Fund), provides the following update as part of its continuous disclosure obligations.

The following slides contain information included in the Fund presentation not previously disclosed to investors.

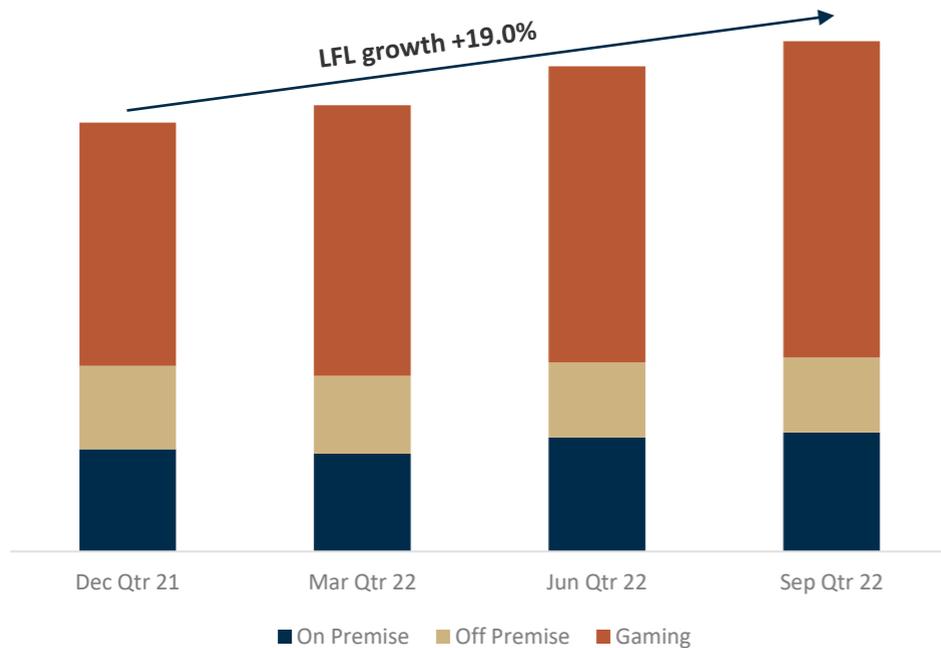
More information

For more information, please call us on +61 2 8288 5594 or email us at [MAclientservices@MAfinancial.com](mailto:MAclientservices@MAfinancial.com).

# Revenue performance

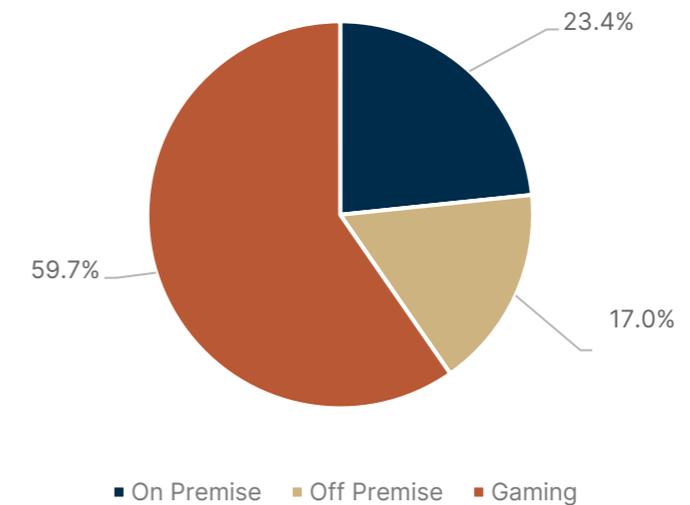
Portfolio revenue has sustained steady growth over the last 12 months highlighting MAHM's operating capability

## TOTAL REVENUE PER QUARTER<sup>1</sup>



## REVENUE APPORTIONMENT<sup>2</sup>

RDC Channel Apportionment LTM Sep 22



- Like-for-like total revenue has increased by 19.0% over the last 12 months (noting Dec quarter was impacted by COVID-19 lockdown)
- July – October 2021 venues closed due to mandatory COVID-19 lockdown<sup>3</sup>.

1. Like for like (LFL) venues include all venues that were operating during the entire period and excludes any venues that were acquired or divested. Past performance is not an indicator of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.

2. Revenue apportionment is based on the average of the total Group revenue for the quarters ending 31 Dec 2021, 31 Mar 2022, 30 Jun 2022 and 30 Sep 2022.

3. Hotels in New South Wales (NSW) (excluding off-premises bottle shops) were temporarily closed from 26 June 2021 to 11 October 2021 in line with NSW Government COVID-19 restrictions. The NSW hotels resumed trading albeit under Government-mandated restrictions from 11 October 2021. Hotels (excluding off-premises bottle shops) in Southeast Queensland were closed intermittently in June and July 2021 and resumed restricted trading from 8 August 2021.

Past performance is not an indicator of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.

# Income statement<sup>1</sup>

September quarter financial summary highlighting the ongoing performance of the portfolio performance over the last six months

\$ MILLION	SEP QTR 22	JUN QTR 22
Revenue	103.0	99.2
Cost of sales	(48.3)	(43.2)
<b>Gross Profit</b>	<b>54.7</b>	<b>56.0</b>
Gross Profit %	53.1%	56.5%
Employment costs	(15.7)	(15.5)
Other operating costs	(11.2)	(12.0)
Management fees	(5.2)	(5.6)
<b>Operating EBITDA</b>	<b>22.6</b>	<b>23.0</b>

1. Unaudited management accounts. Past performance is not an indicator of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.

2. . Like-for-like revenue movement is based on venues that were trading in during the relevant period and excludes any part-year acquisitions or divestments

# Distribution statement<sup>1</sup>

- September quarter 2022 distribution of 2.50 cents per stapled unit
  - target 2.5 cent distribution<sup>1</sup> per quarter for the balance of 2022
- Compound distribution growth of 7.0%<sup>2</sup> since inception

\$ MILLION	SEP QUARTER 22	JUN QUARTER 22
<b>Operating EBITDA</b>	<b>22.6</b>	<b>23.0</b>
Cash interest expense	(5.6)	(3.8)
Maintenance capital expenditure	(1.6)	(1.5)
Other cash and non-cash items	(0.8)	(0.7)
<b>Underlying earnings</b>	<b>14.5</b>	<b>17.0</b>
<b>Underlying earnings per unit (cents)</b>	<b>3.21</b>	<b>3.49</b>
<b>Distribution to unit holders</b>	<b>11.3</b>	<b>10.7</b>
<b>Distribution per unit (cents)</b>	<b>2.50</b>	<b>2.30</b>

1. This is a target only and is subject to change, approval by the Board of the Responsible Entity and remains subject to change based on a variety of risks including economic, regulatory and other risk factors. Past performance is not an indicator of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.

2. Distribution targets are provided as guidance only and remains subject to no material changes occurring to the prevailing economic or operating conditions.

# Capital management<sup>1</sup>

Strong liquidity and balance sheet headroom available for growth initiatives

## Balance sheet summary

- Fund net debt on 30 September 2022 of \$583m<sup>2</sup> with a weighted average maturity of 2.9 years comprising:
  - \$250m maturing September 2024
  - \$375m maturing December 2025
  - \$75m maturing August 2027
- Cash and Cash Equivalents of \$31m with \$85m of undrawn facilities
- Interest cover ratio (ICR)<sup>3</sup> of 5.20x for the period
- Directors' Net Asset Value<sup>4</sup> (NAV) of \$1.6770 per unit on 30 September 2022
- Gearing<sup>5</sup> – Directors' Gearing of 39.2%.

1. Unaudited management accounts.

2. Total facility of \$700m (excluding \$4m ancillary facility) repayable in September 2024 and December 2025 and August 2027.

3. Interest Cover Ratio (ICR) covenant of 2.5x on core debt facility.

4. Directors' NAV is a non-IFRS metric reflecting directors' valuations and differs to the Statutory NAV which reflects revaluations to land only.

5. Gearing is total borrowing less cash as a percentage of total assets less cash.

\$ MILLION	As at 30 Sept 2022
Cash	31.6
Property Assets	1,211.2
Other Assets	66.2
<b>Total Assets</b>	<b>1,309.0</b>
Borrowings	(615.0)
Other Liabilities	(145.2)
<b>Total Liabilities</b>	<b>(760.2)</b>
<b>Net Assets – Statutory</b>	<b>548.8</b>
Directors' adjustments	212.5
<b>Net Assets – Directors'</b>	<b>761.4</b>
Securities on issue	453.9
NAV (\$ / unit)	1.6770
Gearing	39.2%

# Risks

## Risk rating: High risk classification

All investments are subject to risk, which means the value of your investment may rise or fall. Before making an investment decision, it is important to understand the risks that can affect the value of your investment.

There is an extensive regulatory regime that affects many aspects of the operation of the Fund's assets including: licensing requirements, regulations of electronic gaming machines, anti-money laundering laws, and workplace health and safety regulations.

A failure by the Responsible Entity to comply with any of the regulatory regimes and associated licenses which apply to its operations may significantly and adversely affect its reputation and financial performance and any Unitholder's investment in the Fund. Other general risks of an investment in the Fund include but are not limited to: the inability of the Fund to meet redemption requests, the risk that the Fund does not achieve its investment objective, and the risk that Unitholders may lose some or all of their capital invested in the Fund.

More information on the risks of investing in the Fund is contained in the Product Disclosure Statement (PDS), which should be considered before deciding to invest in the Fund. You should read the whole of the PDS in order to fully appreciate the risks of an investment in the Fund before any decision is made. You are also strongly advised to consider your personal investment objectives and financial circumstances.

The Target Market Determination for Units in the Fund is available free of charge on the Fund webpage: <https://mafinancial.com/asset-management/retailfunds/redcapehotel-group/>.

Before making an investment decision, always read and understand the PDS which is available on the Fund webpage: <https://mafinancial.com/assetmanagement/retail-funds/redcape-hotel-group/> along with all other relevant or updated information regarding the Fund.