ASX ANNOUNCEMENT

CEO Address to 2019 Annual General Meeting

2 May 2019 – Mr. Andrew Pridham, Chief Executive Officer, Moelis Australia Limited

Dear Shareholder,

I would like to welcome you to our Annual General Meeting where we are delighted to give a review of the performance of Moelis Australia in 2018 and make comment on the outlook for 2019.

Our Chairman, Jeffrey Browne, has already run through many of the Group's 2018 financial highlights, so I will focus on 2018 divisional performance, trading conditions and business developments in 2019.

The business made good progress growing its revenue, profitability and scale in 2018. I believe that increasing our Group Underlying EBITDA to $57.5 million up 38% on 2017 and in tandem increasing our underlying EBITDA margin to 42% from 39% in 2017 was a highlight given the investments we made in people and systems during the year.

Other highlights for the year included:

- Developing a proprietary credit platform for the origination of receivable loans;
- Significantly growing our high-net-worth investor base;
- Opening an office in Shanghai;
- Significant investment in people, technology systems and product distribution channels;
- Partnering with two global institutional clients across credit and real-estate initiatives; and
- The successful listing of Redcape Hotel Group – which we believe has a strong future and which Moelis Australia and its executives share meaningful co-investment with Redcape investors.

Whilst the achievements of 2018 were pleasing, the 2019 financial year is under way and we are focused on growing a strong business that can withstand times of economic volatility.

SUMMARY OF 2019 OUTLOOK

Being only early May it is difficult today to provide granularity regarding the likely financial performance of the business for the full 12 months to 31 December 2019. This is particularly so given the transactional and traditionally back-ended seasonal nature of our Corporate Advisory business.

Underlying EBITDA is tracking in-line with the same time last year. The relative contribution from Asset Management continues to grow. Client investment into funds open for subscription is encouraging.

AUM is forecast to be approximately $3.9 billion by 30 June 2019.

We are committed to operating with discipline when deploying capital, particularly in the current environment. Therefore, some of our funds have above historical levels of cash. Likewise, we have continued to build the cash balance of Moelis Australia Limited, which currently stands at approximately $90 million (post payment of the 2018 dividend and executive bonuses).

Holding cash is short term dilutive to earnings, however, it places us in a strong position to invest as attractive opportunities arise. Despite our cautious approach to capital allocation in the current environment we continue to see considerable growth opportunities in credit and select sectors of the real estate market.

Capital flows from Chinese clients continue to build. Moelis Australia today manages approximately $1.65 billion in funds on behalf of clients of Chinese origin. This consists of both SIV and non-SIV investments, with non-SIV being a fast growing segment for us.

ASSET MANAGEMENT

Revenue from our Asset Management division continues to grow. However, we are mindful of the economic cycle and remain cautious in deploying client and balance sheet capital. We do however believe opportunities to buy attractive risk adjusted assets are emerging across both real estate and credit.

China

In 2018 we invested considerable time and capital into growing our capabilities to manage funds on behalf of clients originating from China. We opened an office in Shanghai in 2018 and continued to grow our Mandarin speaking executive base both in Australia and China – including the appointment of a very experienced Managing Director located in China.

Having a physical presence in China is an important strategic step and has assisted us in the servicing of our many China based clients. It has allowed us to invest properly in the generation of new Chinese business relationships.

We view China as a material opportunity for our long-term growth. The 2019 AFRASIA Global Wealth Migration Review recently reported that Australia was the largest beneficiary of net migration from Chinese High Net Worth (HNW) immigrants. In 2018 this was estimated to be 12,000 people. This compared with 10,000 into the USA, the second most popular destination. Moelis Australia is well positioned to continue to benefit from this significant and growing capital flow.

AUM Growth

As we have stated many times, AUM is not a key metric we use in assessing the performance of our Asset Management business. AUM can rise or fall as a consequence of buying or selling larger assets and margins can vary significantly on different funds and sources of client capital. Rather than size of AUM, our focus is on the long term quality and growth in our overall earnings and importantly on delivering our clients with a premium experience and attractive returns.

There are four primary factors that dictate AUM growth:

1. Our desire and success in identifying and acquiring suitably attractive investments;
2. The ability to raise third party capital from clients;
3. The ongoing realisation of existing investments and returning capital to clients; and
4. The growth or fall in the value of assets in existing funds.

Given current real estate markets we are acting with caution in acquiring new investments. However, we are observing a number of assets which we believe can deliver our clients attractive returns. Our overall direction of focus in the real estate sector is counter-cyclical and/or value add opportunities and in credit.

In late 2018, we acquired two shopping centre assets for a total investment of over $300 million. One of these assets, The Figtree Grove Shopping Centre, Wollongong, was acquired for over $200 million in partnership with Singapore listed SPH REIT. Investment into the retail property sector today is considered counter-cyclical. However, we believe that the assets were acquired on attractive terms and represent sound investments relative to many other asset classes, and in particular given the expectation of lower interest rates in Australia for a significant time period.

Our partnership with a leading global financial institution to provide development construction financing is less likely to see material growth in 2019 as few projects are expected to meet our underwriting standards. However, over the longer term, as real-estate markets strengthen, we remain confident that this will be a significant business segment for Moelis Australia.

Our Senior Secured Loan Fund has been highly successful in raising capital from our clients and then on-lending this to borrowers – secured against real-estate. A growing number of people find it difficult to obtain suitable finance from the traditional banking market despite having adequate real-estate collateral and capacity to service the loan. This is a rapidly growing segment of the real-estate mortgage market. Reflecting the impact of changed APRA requirements and the Banking Royal Commission demand for non-bank first mortgage products has increased materially. Our Senior Secured Loan Fund now has assets of approximately $180 million, representing a c.50% increase since the end of the 2018 calendar year.

It may be of interest to our shareholders that we have confidence in many parts of the Australian residential market. We have at hand significant levels of data from our own activities in the residential sector, together with leading sources of market data. Within Australia there are many residential sub-markets, thus it is unwise to generalise. However, it is our opinion that price falls in the key Sydney, Melbourne and Brisbane markets are likely to moderate, with more up-side risk than expectations of further large declines. We see this as a significant opportunity.

Redcape Hotel Group

Redcape Hotel Group was successfully listed in a tough market in late 2018. Since then, a changing and overall weaker consumer market has provided some headwinds for most consumer facing businesses. As such, overall revenue has been at the lower end of expectation with variable performance across the portfolio. However, we are pleased that the implementation of operational enhancements to both revenue generation and cost mitigation initiatives have minimised the impact to Redcape's bottom line.

Management is making good progress in refining latent value within underutilised land and development opportunities at a number of venues; value not reflected in Redcape's Net Asset Value. In addition, Management continue with value enhancing refurbishment works to a number of hotels including a major refurbishment at the Cabramatta Hotel due for completion in July. We believe this provides positive value momentum for the future.

Currently trading at a slight discount to its Net Asset Value reconfirmed at the half year result, we continue to believe that Redcape is an attractive investment with strong business fundamentals and a diverse portfolio of real estate backed, strategically located venues in New South Wales and Queensland. At the half year result, Redcape also reconfirmed its Product Disclosure Statement (PDS) FY19 Distributable Earnings forecast of between 8.8 – 9.0 cents per security, subject to no material change in market conditions.

Market conditions for hotel sales remain robust, providing a solid underpinning to Redcape's asset valuations. We believe the low interest rate environment will continue to provide strong demand for cash yielding investments which should bode well for Redcape.

Revenue Composition

In 2018, 70% of our Asset Management revenue was recurring in nature and consisted of base asset management fees and highly visible income from strategic & co-investment income. The remaining 30% consisted of one-off transaction fees (such as fund establishment fees), performance fees and mark to market movements of investments.

Moelis Australia has a policy of not recognising performance fees until they are payable in cash. In 2018, we were paid $8.4 million in performance fees and expect to receive similar level of performance fees across multiple funds in 2019.

CORPORATE ADVISORY & EQUITIES ("CA&E")

Corporate Advisory is a quality business for Moelis Australia. Over time we have consistently delivered strong productivity (as measured by revenue per executive) which tends to average between $1.1 million and $1.3 million per annum. Achieving $1.2 million per executive in 2018 was a solid result albeit down on 2017's strong performance of $1.5 million per executive.

The Equities business continues to be an enabler of Equity Capital Market ("ECM") transactions and research products for our institutional and high net worth clients. Commissions and ECM revenues fluctuate with stock market conditions.

In late 2018, we hired two senior and experienced Corporate Advisory Managing Directors and associated teams. This investment is likely to take some time to fully season. However, we are pleased with the contribution these new executives have made since joining the business in early 2019.

As we have noted on many occasions, Corporate Advisory & Equities activity is seasonal with stronger revenues traditionally recorded in the second half of the calendar year and in particular in the last quarter of the year. Over time this has translated to around 66% of full year revenue being recorded in the second half of the year with almost 40% occurring in the December quarter alone.

Transactions completed thus far in 2019 have included advising:

- The South Australian Government on a reinsurance transaction with Berkshire Hathaway to manage a $853 million CTP claims liability;
- Coast2Coast Capital's sale of Marlin Brands (value undisclosed);
- Centuria Capital Group on the sale of its strategic interest in Propertylink to ESR Australia Group;
- Spicers on its sale to Kokusai Pulp and Paper via a Scheme of Arrangement for $148m; and
- Elanor Investor on the introduction of 18% strategic investor, Singapore based Rockworth Capital.

CAPITAL MANAGEMENT

Perhaps the most significant strategic decision we made in early 2018 was to be conservative in our allocation of corporate capital. We have continued this discipline in 2019. As such, we currently have approximately $90 million in cash. Our large cash holdings are dilutive to earnings until deployed but are strategic and held to facilitate long term growth. As cash is deployed it should directly grow our revenue. However, our caution owing to market conditions and overall asset pricing means that we will only deploy our capital when we believe we can achieve appropriate risk adjusted returns for our shareholders. We believe that patience in markets, such as the ones we are experiencing today, will prove prudent and ultimately rewarding.

At the end of 2018, net assets were approximately $241 million.

We are always evaluating corporate opportunities, particularly in the credit space. Further, we are regularly evaluating the establishment of new funds to offer asset management clients. As these emerge we will seek to co-invest, thereby demonstrating alignment with clients and at the same time building our asset base.

Strong monthly cash flow from fee revenue, combined with the flexibility afforded to us by our Corporate Bond Programme (currently drawn to $57.2 million), provides us with considerable scope to finance growth in the business.

SUMMARY

I wish to again thank our clients and shareholders for the ongoing support and the confidence shown in our Board and management. Alignment between all stakeholders is a core belief in everything we do.

In our 10th year of operation we are very proud of our company and the culture we have built. I have great confidence in our capacity to grow in the years ahead.

Yours faithfully

Andrew Pridham AO

Chief Executive Officer