Joint CEO's Address to 2021 Annual General Meeting

28 May 2021 – Mr. Chris Wyke and Julian Biggins, Joint Chief Executive Officers, Moelis Australia Limited

Dear Shareholders,

We would like to welcome fellow owners to our Annual General Meeting and thank you for your attendance today.

My name is Chris Wyke and I am one of the Joint Chief Executive Officers of Moelis Australia.

Our Chairman, Jeffrey Browne, has already run through some of the Group's FY20 financial highlights and made comment on the overall business which is positioned for strong growth under the new banner of MA Financial Group. We have grown to become a diversified financial services company. This positioning is a result of the tremendous effort of the executive throughout FY20.

The first half of FY20 was characterised by prudent risk management, stress and scenario testing of investments and our business. This defensive approach combined with our strong balance sheet to help us proactively navigate through the challenges of COVID.

During the second half of FY20 we experienced considerable momentum with strong fund flows compared to the first half and an increase in Corporate Advisory and Equities activity with pipeline restocking. In addition, we utilised our balance sheet to secure approximately $150 million of asset acquisitions, which have subsequently cycled into managed funds, and our operations returned to more normalised practices with appropriate COVID protocols.

The combination of the stable recurring revenue our business generates, a defensive first half and a strong second half, resulted in a solid FY20 result given the circumstances, notably:

- Assets Under Management ("AUM") increased 11% to $5.4 billion
- Underlying[1] EBITDA was down 5% on a record result in 2019 to $60.5 million
- Asset Management underlying revenue increased by 10% to $106.8 million
- Corporate Advisory & Equities underlying revenue declined 14% to $53.4 million, impacted by COVID

[1] Please refer to Moelis Australia Limited's 2020 Annual Report for a description of the Underlying financial measures

disruption and transaction completion timing

- Declaring a fully franked dividend of 10.0 cents per share, in line with financial year 2019
- Defensive capital management maintaining a strong average cash balance of $132 million throughout FY20.

We continued to invest in our people and platform throughout FY20, and the momentum of the second half has continued into FY21. We continue to adapt and evolve the way in which we operate our business as various COVID restrictions change. To best service our clients, we continue to invest in technology and adapt to online client engagement and marketing.

Over the past three to four years our balance sheet has been defensively positioned for market volatility. In light of our assessment of a more positive market outlook and developments in COVID medication and management we are proactively looking to utilise our balance sheet. Our focus is on scaling of our investment strategies and identifying new opportunities to drive value creation for our third-party investors and shareholders.

In evaluating and making these investment decisions there remains a strong alignment of interest between employees and shareholders given the substantial investment that employees have in Moelis Australia. Since listing on the ASX in 2017 we have delivered an average total return for our shareholders of 37% per annum.[2]

We recently released a presentation to the ASX on the 14th of May that set out a detailed introduction to the Group. I recommend shareholders review a copy of these materials to assist them in gaining a better understanding of our business and strategy. In particular, we gave further information with regards to the separation of our lending activities into a new business segment. These lending activities were previously housed within the principal investment income of our Asset Management business. However, the nature and scale of our Lending activities are such that we have decided to report on them separately, which we shall do from our upcoming first half 2021 result onwards.

CORPORATE ADVISORY & EQUITIES ("CA&E")

Our Corporate Advisory & Equities division, or CA&E, experienced a challenging year that was impacted by COVID. A strong first half to FY20 was underpinned by transactions commenced in FY19 and closing before the disruption of COVID. This disruption led to transaction uncertainty and the requirement to restock and recalibrate the pipeline of deal activity.

[2] Average total shareholder return as at 30 April 2021

Merger and acquisition advisory activity was softer. A number of transactions did not progress and some large new transactions generated over the FY20 year have subsequently completed in FY21. However, CA&E did benefit from increased capital raising in the second half of FY20, raising $1.4 billion in capital across 19 transactions over the year.

Overall, in FY20 CA&E generated $53.4 million in revenue. Corporate Advisory revenue per executive was $1.0 million, which was below our target range of $1.1 million – $1.3 million per executive. In FY21 we anticipate a return to our target range.

ASSET MANAGEMENT

Over FY20 we grew AUM by $500 million to $5.4 billion, driven by a strong acceleration in net fund inflows in the second half of the year. This momentum has continued into FY21 with $340 million of net inflows in the first four months of the year lifting AUM to $5.8 billion at 30 April.

We are delivering on our aim of scaling our investment strategies within our core segments of Hospitality, Real Estate and Credit Investing. Further diversification and growth have been seeded in our emerging segments of Equities as well as Private Equity and Venture Capital. AUM within our Australian equities funds has doubled since the beginning of 2020, when it was $300 million, to slightly over $600 million at 30 April 2021, driven by strong inflows and fund performance.

At the same time, we continue to diversify our sources of capital having dedicated teams focusing on the Institutional, Foreign and Domestic High Net Worth ("HNW") and Retail investor clients.

Hospitality

Our Hospitality platform had a positive start to FY20 with the successful fund raising for the MA Beach Hotel Fund, which owns the iconic Beach Hotel in Byron Bay and contributes $115 million of AUM to the Group.[3]

However, with the onset of COVID the platform was presented with the challenge of working through Government mandated restrictions which largely closed our hospitality venues for a period of over 2 months. Restrictions were lifted mid-way through the year and were subject to continued variation in response to changing health guidelines. The operational expertise demonstrated to effectively manage this challenge and support our customers and investors has underpinned our thesis of operational expertise driving value within our core asset management segments.

[3] AUM as at 31 December 2020. Property settled in February 2020.

Our hospitality assets enjoyed strong trading conditions upon reopening in the second half of FY20 despite the restricted operating requirements. Consistent with the strong momentum into the second half of FY20, our hospitality platform contracted to acquire $165 million of Hotel assets in 4Q20 which have subsequently settled in FY21 within managed funds.

Real Estate

During FY20 our real estate AUM remained steady at A$2.2 billion. This was a positive outcome in light of valuation headwinds experienced in retail and we were pleased to establish the Prime Logistics Fund and complete on the acquisition of over $63 million of assets which has continued to grow into FY21.

The first half of FY20 was marked by the tireless effort of our team to work with our tenants to manage through the challenging COVID environment, navigating forced closures and poor trading conditions. However, with the easing of restrictions over the second half of FY20, our retail portfolio experienced a strong performance with foot traffic and centre sales trending back to pre COVID levels.

We have subsequently enhanced our property management capability through the acquisition of property manager Retpro which completed on 1 April 2021, consistent with our strategy to drive value for our investors through operational expertise.

Our investment thesis in retail remains that well managed and strategically placed assets offer an attractive yield premium relative to other asset classes. More broadly we expect continued investor interest in the defensive cash flow returns that real estate assets offer given the likely prolonged low interest rate environment.

Credit Investing

Our Credit Investing AUM increased by $210 million to close the year at $1.1 billion. Our focus remained across three core scalable strategies; Bonds and Cash, Real Estate Credit and Structured Finance.

Our investment activity over the first half of FY20 was very subdued as we recalibrated our approach to underwriting risk. The majority of our credit funds were overweight cash for most of the year with strong deployment in the final quarter accompanied by strong inflows. Pleasingly we navigated through the year and consistently delivered our targeted returns and distributions to investors.

Our conviction in the thematic of increased opportunity in non-bank lending coupled with the ability to source quality yield product continues to play out with strong investor demand for attractive risk adjusted returns from Credit Investing.

Lending

Our Lending activities grew considerably during FY20 and this momentum has continued into FY21. Given the nature, scale and ambition of our Lending business, we will be reporting it as a separate standalone operating business from our 1H21 result onwards.

Consistent with our strategy of targeting large addressable lending markets, we acquired a 47.5% interest in residential mortgage lending platform MKM Capital which completed in October 2020. This acquisition gives us exposure to the largest credit market in Australia and we will move to 100% ownership of MKM Capital over the next 5 years.

We continued to grow our legal disbursement platform in Australia and also established a presence in the UK to initially focus on Legal Disbursement Funding but with the flexibility to evaluate other lending opportunities. Furthermore, in February this year we entered into a credit partnership with a major Australian bank with an investment in a $300 million portfolio of over 6,000 asset finance loans. Our intention is to grow this partnership over time.

Distribution

During FY20 we advanced our strategic objective to diversify our third-party investor base.

We materially progressed our strategy to secure a retail financial services licence. An initiative that has culminated in the licence being granted in April 2021, followed by the launch of our first two retail credit fund offerings, the MA Priority Income Fund and the MA Secured Real Estate Income Fund.

The investment we have made over the past number of years to establish an on the Ground presence in China gave us considerable competitive advantage during FY20 in attracting capital to our investment products as we had the ability to meet in person with existing and potential investors whilst Australian borders remained closed. Additionally, the distribution partnership we established in Hong Kong in 2019 began to deliver strong flows, with more investor capital flows received in the second half of FY20 than all prior years combined from that jurisdiction. More broadly the geographic diversification of fund inflows is increasing, and we currently manage investor capital sourced from 19 different countries.

CAPITAL MANAGEMENT

Our approach to capital management remained conservative in FY20. In May we refinanced our $32.2 million note, MOE Bond I[4], well ahead of its September 2020 maturity. The refinance was from the issuance of a $40

[4] First Series of notes issued under the MA Finance Pty Ltd (ACN 621 554 845) Medium Term Note Programme dated 13 September 2017 (“Programme”)

million note with a 4-year term, MOE Bond IV[5], which materially extended the maturity profile of our borrowings Given current market conditions and low interest rates we continually evaluate the options for capital management.

FY21 OUTLOOK AND GUIDANCE

FY21 has started well for the group. We recently provided a market update that highlighted the Group's operational performance for the first four months of the year. Which included:

- continued strong net fund inflows
- a 7% increase in AUM to $5.8 billion
- over $300 million of hospitality and real estate assets under due diligence for new and existing funds; and
- a strong corporate advisory transaction pipeline, with an increasing focus on M&A activity.

Given this momentum, we have reiterated guidance that was first provided at our FY20 result announcement in February for FY21 underlying earnings per share growth of between 10% and 20%. However, the strong start to the year provides us with increasing confidence in the upper end of this guidance range, subject to our previously disclosed caveats.[6]

SUMMARY

Over our 12 years of operations, FY20 presented our most challenging yet. We thank our clients and shareholders for the ongoing support and the confidence shown in our Board and management.

As we emerge from the impact of COVID our business remains well positioned to scale and deliver our objective of building a company that rewards shareholders by growing profits sustainably. As always, we would like to thank our staff and their families for their ongoing commitment in what has been an extraordinary year.

Authorised for release by Joint CEOs Moelis Australia, Christopher Wyke and Julian Biggins.

5 Third Series issued under Programme

[6] Underlying earnings guidance is subject to market conditions, no material change to current COVID-19 related restrictions, timing of Corporate Advisory transaction completions, no material regulatory change and any potential impact associated with the realisation of our investment in Japara Healthcare.

For further information, please contact:

Investors:
Michael Leonard
+61 2 8288 5578
michael.leonard@moelisaustralia.com

Media:
Bryce Corbett
+61 410 711 999
bryce@domestiqueconsulting.com.au