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Delisting Proposal - Rights Issue and Buy-Back Presentation

20 September 2021

Redcape
HOTEL GROUP



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Financial data

Redcape utilises non-IFRS financial metrics in its assessment and presentation of its performance. In particular, the Redcape references Operating Earnings Before Interest, Tax, Depreciation and Amortisation (**Operating EBITDA**) and Underlying Earnings (**UE**) per Redcape Security.

The directors believe these non-IFRS metrics are useful to users as they:

- Reveal the underlying and operating performance of Redcape which enhances the reader's understanding of past performance;
- Provide insight into the Manager's decision making as the Manager's uses these measures to run the business, allocate resources and make financial, strategic, and operating decisions; and
- Form the basis of Redcape's annual budgeting and internal forecasting processes

Operating EBITDA and UE are not prepared in accordance with International Financial Reporting Standards and are not audited. A reconciliation of non-IFRS financial metrics to statutory results is provided in the "Review of Operations" within the Group's FY21 financial statements.

Differences in reported metrics can have both a positive and negative impact on the financial information presented.

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The New Securities may not be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US State securities laws.

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*Our vision:
To enrich communities through
our hospitality*

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Transaction Overview

Transaction Overview	<ul style="list-style-type: none"> Since listing in November 2018, Redcape has consistently traded at a discount to Directors NAV despite the strong operational performance across its portfolio. Following a review of its strategic options, the Board of Redcape's Responsible Entity, as recommended by the Independent Board Committee (IBC), put forward a proposal to delist Redcape (Proposal) to more closely align the realisable value of Redcape Securities with the fundamental value of its portfolio. The Proposal provides optionality for Redcape Securityholders to either remain invested in Redcape as an unlisted fund or realise their investment through an off-market Buy-Back. The Proposal was approved by Redcape Securityholders on Friday, 10 September 2021.
Buy-Back and Rights Issue	<ul style="list-style-type: none"> For Redcape Securityholders who wish to exit their investment in Redcape prior to Delisting, liquidity will be offered under the Buy-Back. The Buy-Back will have a maximum size of \$247.3 million reflecting \$115.0 million in net debt funding and \$132.3 million funded by the Rights Issue. The Rights Issue is a 1 for 4.8 pro rata non-renounceable entitlement offer of new securities in Redcape ("New Security"), to raise funding of up to \$132.3 million for the Buy-Back. The Buy-Back and Rights Issue are being undertaken at the same fixed price of \$1.15 per security.
Financial Impact	<ul style="list-style-type: none"> Redcape Securityholders who elect to retain their securityholding are expected to benefit from increased earnings and distributions. For example, for illustrative purposes, had the Proposal been implemented on 1 July 2020, assuming a net 100.0 million Redcape Securities were bought and cancelled under the Buy-Back and a payout ratio of 80%: <ul style="list-style-type: none"> Pro forma FY21 Underlying Earnings per security would have increased by 14.6% (from 10.2cps to 11.7cps); and Pro forma FY21 distributions per security would have increased by 14.6% (from 8.2cps to 9.3cps). Pro forma Directors NAV per security is \$1.31 per security and pro forma Directors Gearing is 46.1%¹. Refer to Appendix A for further information on the expected financial impact of the Proposal.

¹. Directors NAV means Statutory Net Asset Value deducting Investment property, Land, PPE & Intangibles replacing it with the most recent valuation of that asset. Directors Gearing means total borrowings less cash and cash equivalents as a percentage of adjusted total assets less cash; total assets adjusted by substituting Investment property, Land, PPE & Intangibles with Directors valuations. Refer to Appendix A for further information on the Pro Forma Balance Sheet.

Transaction Highlights

Flexible transaction structure which delivers mutually beneficial outcomes for Redcape Securityholders who wish to exit or continue their investment

Securityholders that retain their securities

- ✓ Increased earnings and distributions:
 - Pro forma FY21 Underlying Earnings per security increases by 14.6% (from 10.2cps to 11.7cps)¹
 - Pro forma FY21 distributions per security increases by 14.6% (from 8.2cps to 9.3cps)¹
- ✓ Pathway to access periodic liquidity over time under the Unlisted Liquidity Facility at a price that approaches Directors NAV on the terms set out in Section 2 of the Explanatory Statement.
 - Removal of listed market discount and security price uncertainty
- ✓ Continuity of management and retained exposure to high quality underlying asset base
- ✓ Ability to move towards a more efficient capital structure and cost of capital to continue to grow the Underlying Earnings and Directors NAV of Redcape over time

Securityholders that sell their securities

- ✓ Liquidity at the \$1.15 Buy-Back Price which represents a:
 - 22.3% premium to the last close prior to the Announcement Date; and
 - 13.9% premium to the 3-month VWAP prior to the Announcement Date.
- ✓ The opportunity to receive value certainty for their holding²

1. Assumes the Proposal had been implemented on 1 July 2020, the net securities acquired under the Buy-Back is greater than or equal to 100.0 million and a payout ratio of 80%. For further information, please refer to Section 7 of the Explanatory Statement.

2. If the total value of securities which Redcape Securityholders elect to sell in the Buy-Back exceeds the Buy-Back Limit, a scale back would be applied on a pro-rata basis. Please refer to the Explanatory Statement for more information.

Proposal Overview

The key elements to the Proposal include:

1. Delisting of Redcape from ASX

- Redcape to be an open-ended unlisted fund and offer investors quarterly liquidity through an Unlisted Liquidity Facility¹.
- Unlisted Redcape intends to offer liquidity to investors on a quarterly basis at a withdrawal price which will approach a 2.5% discount to Directors NAV over time.
- This is subject to an expected quarterly cap on available liquidity of 2.5% of Redcape's Directors NAV, the Responsible Entity's discretion to adjust that cap, and the conditions summarised on slide 11.

2. Pre-delisting liquidity offer

- A capped \$247.3 million Buy-Back at a fixed price of \$1.15 per Redcape Security funded by increasing and drawing from Redcape's debt facilities (\$115.0 million) and an underwritten Rights Issue (\$132.3 million)
 - The Proposal will provide Redcape Securityholders with the options to either:
 - Retain their existing holding;
 - Increase their holding through a Rights Issue at \$1.15 per New Security, on a 1 for 4.8 basis fully underwritten by MA Financial Group; noting they can apply for Additional New Securities subject to a cap of 2.0x times their Entitlement; or
 - Exit their holding at \$1.15 per security, subject to scale-back.²
- The Responsible Entity believes that the Buy-Back is sufficiently sized to allow liquidity with respect to at least 60% of Redcape Securities, excluding those owned by MA Financial Group and its affiliates that have indicated they will not participate.

Alternatives available to Redcape Securityholders

Securityholders retain their Redcape Securities and, if desired, elect to increase their holding by acquiring additional securities under the Rights Issue



Redcape becomes an unlisted fund that intends to offer quarterly liquidity and with the objective of providing investors with regular and growing cash distributions and capital growth

Securityholders sell their Redcape Securities in the Buy-Back at a price of \$1.15 per Redcape Security which is a 22.3% premium to last close prior to the Announcement Date



Securityholders will not receive any future distributions and lose exposure to the financial performance of Redcape's portfolio

1. Subject to the conditions set out in the Explanatory Statement and outlined on page 11 of this presentation.

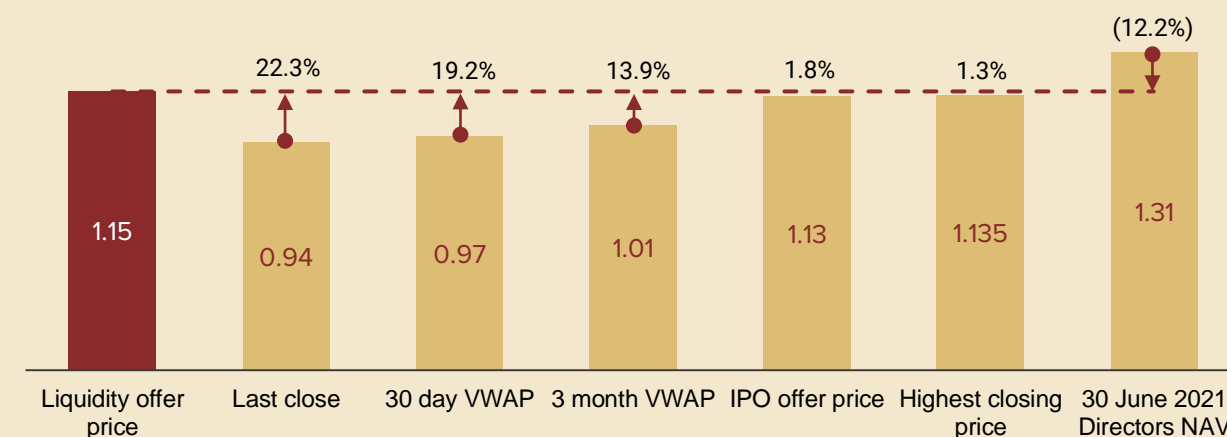
2. Note the range of likely outcomes under the Buy-Back may change as a result of movements in the Redcape register prior to the record date. If the total value of securities which Redcape Securityholders elect to sell in the Buy-Back exceeds the Buy-Back Limit of 215.0m securities, a scale back would be applied on a pro-rata basis. This means that not all securities that apply to participate in the Buy-Back may be bought back. Refer to the Explanatory Statement for more information at <https://www.redcape.com.au/investor-centre/>.

Pathway to Realising Value

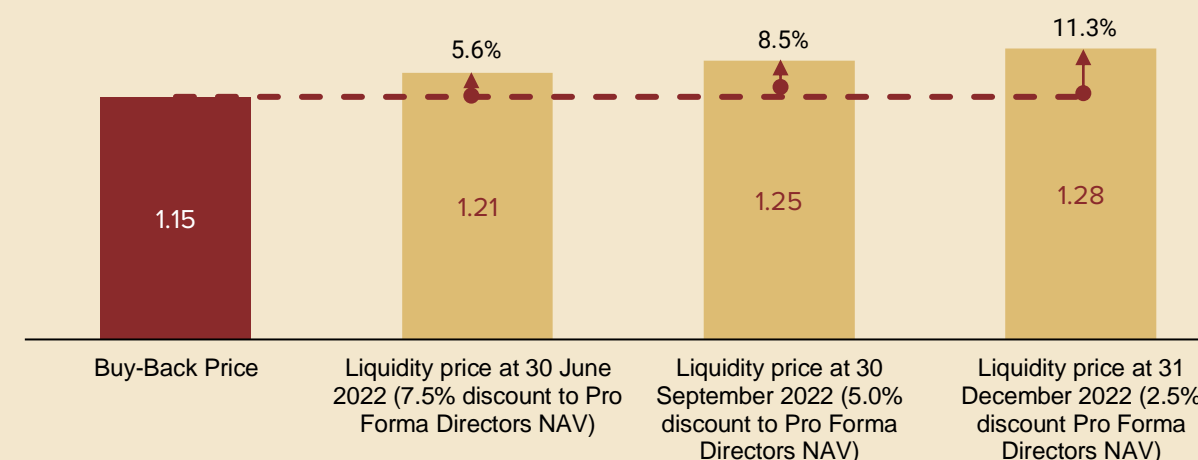
Buy-Back Price designed to balance the interests of investors choosing to remain invested, while providing an attractive exit price, relative to pricing on ASX prior to the Announcement Date, to those seeking immediate liquidity

- Under the Buy-Back, Redcape Securityholders who wish to exit will have an opportunity to apply to sell their Redcape Securities at \$1.15 per security which represents a:
 - 22.3% premium to Redcape's last close prior to the Announcement Date;
 - 13.9% premium to the 3-month VWAP prior to the Announcement Date; and
 - 12.2% discount to Redcape's 30 June 2021 Directors NAV.
- Unlisted Redcape intends to offer a liquidity facility to investors on a quarterly basis at a withdrawal price which will approach a 2.5% discount to Directors NAV over time. This is subject to an expected quarterly cap on available liquidity of 2.5% of Redcape's Directors NAV, the Responsible Entity's discretion to adjust that cap, and the conditions summarised on slide 11.
- Withdrawal pricing is proposed to be as follows:
 - for the quarter ending 30 June 2022 at a 7.5% discount to the Directors NAV per Redcape Security;
 - for the quarter ending 30 September 2022 at a 5.0% discount to the Directors NAV per Redcape Security;
 - for the quarter ending 31 December 2022 and onwards the proposed liquidity pricing is at a 2.5% discount to the Directors NAV per Redcape Security subject to the Responsible Entity's discretion to reduce the amount of the discount to Directors NAV.
- As such, subject to Directors NAV remaining constant or increasing, investors who remain in the unlisted fund may be able to realise a higher price for their securities over time as the discount to Directors NAV reduces as well as participate in any future capital growth and distributions paid whilst they remain invested in the fund.

Liquidity price premiums



Liquidity price premium vs Buy-Back Price

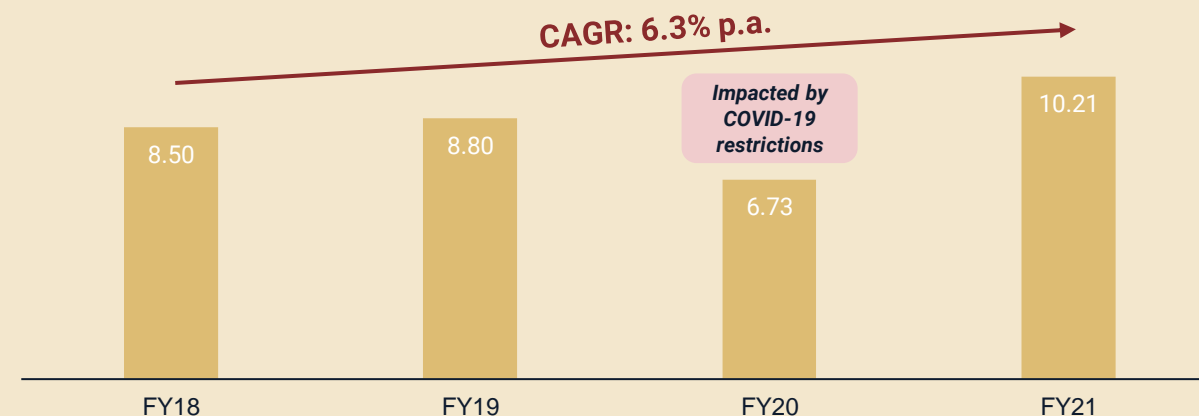


History of Redcape

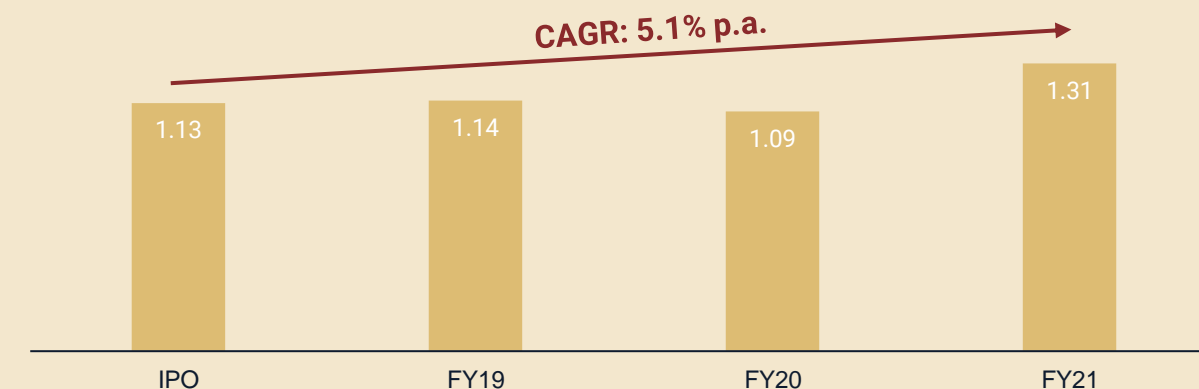
Redcape's high-quality portfolio of community hotels is well positioned to capitalise on attractive fundamentals in the hospitality sector

- A fund established and managed by MA Financial Group initially acquired the Redcape portfolio in July 2017
- Since acquisition, Redcape's portfolio value has increased from \$0.7 billion at acquisition to a value of \$1.3 billion as at 30 June 2021 with the number of assets increasing from 25 to 36.
- Redcape was subsequently listed on the ASX in November 2018, raising \$50.0 million to partially fund the acquisition of three sites.
- Since IPO, underlying earnings have grown from 8.5 cps in FY18 to 10.2 cps in FY21 representing a compound annual growth rate of 6.3%.
- In addition, Directors NAV per unit has grown from \$1.13 per unit in FY18 to \$1.31 per unit in FY21 representing a compound annual growth rate of 5.1% Redcape currently owns a freehold interest in 34 of 36 hotels it owns providing more opportunity for refurbishment upside and additional alternative use optionality.
- Since July 2017, MAHM has successfully completed numerous refurbishment projects across Redcape's portfolio to improve asset quality, re-establish venues as community-centric hubs and increase the growth profile for investors.
- MAHM's breadth of hospitality capabilities and experience as a manager and operator of large hotels and stewardship of major refurbishment programs has enabled refurbishment projects to be tailored to the needs of the community leading to sustainable and mutually beneficial outcomes for investors and patrons.
- Recent examples of MAHM's successful track record of using capex for whole of pub refurbishments include the repositioning of Leumeah Hotel (\$4.9m spend), Eastwood Hotel (\$4.2m spend) and Cabramatta Inn (\$7.0m spend), leading improved trading performance and improved asset values.

Underlying Earnings per security growth (cps)



NAV per security growth since IPO (A\$)



Experienced Management Team

MA Hotel Management (MAHM) is the investment manager and operator of Redcape Hotel Group and is one of Australia's leading hotel managers with diverse expertise in strategy, operations, talent development, community engagement, property refurbishment and capital management



Dan Brady
Chief Executive Officer of MAHM

A sector specialist with a proven track record of delivering financial returns for stakeholders through strategy development, execution and disciplined capital management.



Tim Fawaz
Chief Financial Officer of MAHM

Over 25 years' listed and private equity experience across all facets of retail and hospitality. Previously CFO of City Chic Collective (formerly Specialty Fashion Group).



Christopher Unger
Chief Operating Officer of MAHM

Over 20 years' experience across pubs, clubs and casino operations in both private and public ownership structures. Senior executive with deep industry and business knowledge.



Chris Jolliffe
Project and Property Manager of MAHM

Over 20 years' experience in the hospitality sector, experience managing major refurbishment projects with an innate understanding of hotel operations and deep customer insights.



David Clifton
Chief Experience Officer of MAHM

A sector specialist having spent his most recent years as a senior executive at Merivale responsible for creating and delivering unique hospitality experiences for customers. Specialises in venue repositioning and launch.

Unlisted Fund Structure

Unlisted fund expects to provide investors quarterly liquidity at a price referenced to Directors NAV commencing from 30 June 2022

- Redcape's existing Corporate entities and management structure will be retained with Redcape continuing to be managed by MA Hotel Management and governed by the existing Responsible Entity Board.
- The Responsible Entity intends to offer investors access to liquidity at a unit price which is based on Directors NAV
- Directors NAV represents a significant premium to the average trading price of Redcape Securities since its listing on the ASX
- Investors will be able to apply for liquidity quarterly at a 2.5% discount to Directors NAV from 31 December 2022 subject to conditions and limits outlined in the table and Explanatory Statement.
- For Investors who apply for liquidity to exit post the delisting but earlier than 31 December 2022, the proposed liquidity pricing and dates are as follows:
 - for the quarter ending 30 June 2022 at a 7.5% discount to Directors NAV; and
 - for the quarter ending 30 September 2022 at a 5.0% discount to Directors NAV.

Summary of unlisted fund terms

See Explanatory Statement for full conditions and limits

Investment Objective	<ul style="list-style-type: none"> Unlisted Redcape's objective will be to provide investors with regular and growing cash distributions and capital growth over the investment term by investing in and actively managing a diversified portfolio of high-quality pubs, hotels and alternative use real estate opportunities with the potential for refurbishment or redevelopment to increase land utilisation
Liquidity Timing	<ul style="list-style-type: none"> Quarterly with first liquidity opportunity for unlisted investors on 30 June 2022
Withdrawal Pricing	<ul style="list-style-type: none"> 30 June 2022: 7.5% discount to Directors NAV 30 September 2022: 5.0% discount to Directors NAV 31 December 2022 and onwards: 2.5% discount to Directors NAV
Withdrawal Facility Limit	<ul style="list-style-type: none"> 2.5% of Directors NAV per quarter (10.0% p.a.) with Responsible Entity discretion to adjust this limit
Valuation Policy	<ul style="list-style-type: none"> Hotel assets of Unlisted Redcape to be independently valued on a rolling semi-annual basis with all hotel assets independently valued every 24 months.
Conditions and Limits on Withdrawal Facility	<ul style="list-style-type: none"> The ability of the Responsible Entity to offer the quarterly withdrawal facility after implementation of the Proposal will depend upon many factors including Unlisted Redcape remaining liquid, Unlisted Redcape having sufficient cash reserves, available capacity under its debt facilities and the demand for new Redcape's securities from existing and new investors. The sufficiency of cash reserves and available capacity under debt facilities will be assessed by the Responsible Entity on the basis of prevailing economic and trading conditions at the time and levels of applications for new securities in Unlisted Redcape. There is no guarantee that liquidity will be available at any particular price or at all.
Distributions	<ul style="list-style-type: none"> The Responsible Entity expects to pay distributions from Unlisted Redcape on a quarterly basis. Unlisted Redcape aims to source distributions primarily from Underlying Earnings.
Gearing	<ul style="list-style-type: none"> The Responsible Entity has a target Directors Gearing level for the unlisted fund of between 40.0 – 50.0%

Rights Issue and Buy-Back

Rights Issue and Buy-Back overview

Buy-Back Structure	<ul style="list-style-type: none"> The Buy-Back will have a maximum size of \$247.3 million reflecting \$115.0 million in net debt funding and \$132.3 million funded by the Rights Issue. The Responsible Entity believes that the Buy-Back limit is sufficiently sized to allow full liquidity to Exiting Securityholders under a range of likely outcomes. If the total value of the securities which Redcape Securityholders elect to sell in the Buy-Back exceeds the Buy-Back Limit, a scale-back would be applied on a pro-rata basis. This means that if you apply to participate in the Buy-Back you may not have all of your securities bought back (although at least 60.0% of your securities would be bought back).
Rights Issue Structure	<ul style="list-style-type: none"> In conjunction with the Buy-Back, Redcape is undertaking a Rights Issue to partially fund the Buy-Back and as well as provide the opportunity for existing Redcape Securityholders to acquire additional securities. The Rights Issue is a 1 for 4.8 pro rata non-renounceable entitlement offer of new securities in Redcape, to raise funds of up to \$132.3 million. The Rights Issue has been structured such that Redcape Securityholders are able to apply for additional New Securities above their Rights subject to a cap of 2.0x their Rights Issue entitlement in addition to their Rights Issue entitlement. For example, if you currently own 100,000 Redcape Securities you will be entitled to acquire up to 20,833 New Securities under the Rights Issue and to apply for up to 41,666 additional securities.
Buy-Back and Rights Issue Pricing	<ul style="list-style-type: none"> The Buy-Back and Rights Issue are being undertaken at the same price of \$1.15 per New Security which represents a: <ul style="list-style-type: none"> 22.3% premium to the Redcape price prior to the Announcement Date; 13.9% premium to the 3-month VWAP of Redcape Securities prior to the Announcement Date; and 12.2% discount to Redcape's 30 June 2021 Directors NAV.
Ranking	<ul style="list-style-type: none"> New Securities issued under the Rights Issue will rank equally with existing Redcape Securities from the date of issue
Underwriting	<ul style="list-style-type: none"> The Rights Issue is fully underwritten by MA Moelis Australia Advisory Pty Ltd. A summary of the material terms of the Underwriting Agreement are set out in Appendix G of this Presentation.
Major Securityholder and Board Intentions	<ul style="list-style-type: none"> MA Financial Group and the MA SIV Property Fund have informed the Responsible Entity that they will not participate in the Buy-Back or the Rights Issue (other than, in the case of MA Financial Group, participating as Underwriter). All members of the Independent Board Committee do not intend to participate in the Buy-Back and intend to retain their Redcape Securities post delisting¹.

¹ For further information on the intentions of Redcape's directors please see section 4.5 of the Explanatory Statement

Indicative Timetable

- Securityholders will be able to participate in the Buy-Back or Rights Issue to reduce or increase their security holding prior to the Delisting Date¹
- Securityholders will also retain the ability to, subject to demand, continue to trade securities on-market on ASX until the Suspension Date expected to be 29 October 2021

Event	Date ²
Ex-Entitlement Date for Buy-Back and Rights Issue	Thursday, 16 September 2021
Buy-Back / Rights Issue Record Date	Friday, 17 September 2021
Opening Date for Buy-Back and Rights Issue	Monday, 20 September 2021
Despatch of Buy-Back and Rights Issue Booklet	Wednesday, 22 September 2021
Closing Date for Buy-Back	Monday, 18 October 2021
Announcement of the results of the Buy-Back (including details of maximum scale-back)	Tuesday, 19 October 2021
Closing Date for Rights Issue	Thursday, 21 October 2021
Announcement of results of Rights Issue (including any pro-rata scale-back with respect to applications for Additional New Securities)	Friday, 22 October 2021
Settlement Date (settlement of Rights Issue)	Tuesday, 26 October 2021
Issue Date for the Rights Issue	Wednesday, 27 October 2021
Settlement Date (settlement of Buy-Back) (including cancellation of securities bought-back by the Responsible Entity)	Friday, 29 October 2021
Suspension Date (date on which Redcape Securities are suspended from trading on ASX)	Tuesday, 2 November 2021
Delisting Date	

1. If the total value of securities which Redcape Securityholders elect to sell in the Buy-Back exceeds the Buy-Back Limit, a scale back would be applied on a pro-rata basis. This means that not all securities that apply to participate in the Buy-Back may be bought back (although at least 60% of securities tendered will be bought back). If a scale-back applies, securityholders will have the opportunity to sell any remaining securities they hold on-market between the date the scale-back is announced (expected to be Tuesday 19 October 2021) and prior to the Suspension Date. Please refer to the Explanatory Statement for more information.

2. All times and dates in the above timetable are references to the time and date in Sydney, New South Wales, Australia and all such times and dates are subject to change. The Responsible Entity may vary any or all of these dates and times and will provide notice of any such variation on ASX. Certain times and dates are conditional on the approval of the Proposal by ASX.

Appendices

Appendix A: Pro Forma Balance Sheet

- Set out on this slide is the Pro Forma Balance Sheet of Redcape to illustrate the expected impact of the Proposal. The pro forma adjustments have been made to Redcape's balance sheet as at 30 June 2021.
- Key assumptions used in the Pro Forma Balance Sheet include:
 - Reflects the summarised balance sheet of Redcape as at 30 June 2021. Other liabilities includes a provision for a performance fee of \$6.0 million payable to the Manager for the 6 months ended 30 June 2021.
 - As a result of shutdowns relating to the lockdowns in both New South Wales and South-East Queensland, Redcape has adjusted the cash & cash equivalents position and pro forma Directors NAV for \$14.4 million of estimated Underlying Earnings losses resulting in a 2.6 cps reduction in pro forma Directors NAV. This estimate assumes that the New South Wales lockdown remains in place until 31 October 2021 and the South-East Queensland lockdown remains in place until 31 August 2021 (noting restricted trade resumed in South-East Queensland on 8 August 2021).
 - Reflects the upfront transaction costs including third party advisors and upfront debt facility costs. Of these costs, \$5.0 million have been provided for as at 30 June 2021 and hence the payment of them has a minor impact on NAV.
 - Reflects the Buy-Back of 100.0 million Redcape Securities at \$1.15 per Security. No natural take-up under the Rights Issue is assumed.

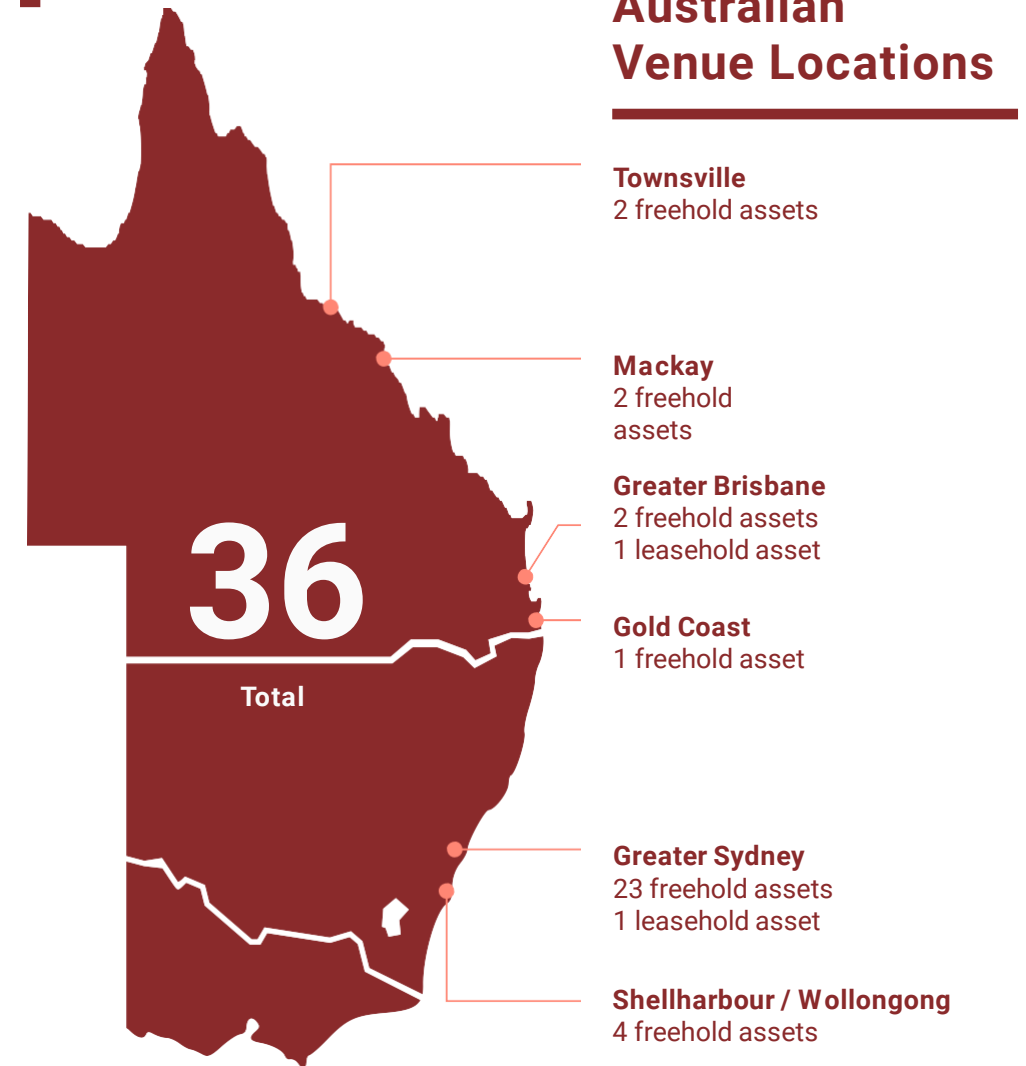
\$m	1 30-Jun-21	2 Lockdown adj.	3 Transaction costs	4 Buyback	Pro forma
Cash & Cash Equivalents	48.1	(14.4)	(5.5)	-	28.3
Property assets	1,175.8	-	-	-	1,175.8
Right of use assets	44.6	-	-	-	44.6
Other assets	19.6	-	-	-	19.6
Total assets	1,288.1	(14.4)	(5.5)	-	1,268.3
Borrowings	522.0	-	-	115.0	637.0
Lease liability	46.9	-	-	-	46.9
Other liabilities	74.8	-	(5.2)	-	69.6
Total liabilities	643.7	-	(5.2)	115.0	753.5
Net asset value (NAV)	644.4	(14.4)	(0.2)	(115.0)	514.8
Stapled securities on issue	552.2	-	-	(100.0)	452.2
Statutory NAV (\$)	1.17	1.14	1.14	1.14	1.14
Directors NAV (\$)	1.31	1.28	1.28	1.31	1.31
Gearing ratio - Statutory	38.2%	39.4%	39.8%	49.1%	49.1%
Gearing ratio - Directors	35.9%	37.0%	37.4%	46.1%	46.1%

Appendix B: About Redcape

Redcape Hotel Group is one of Australia's leading community pub operators with a portfolio of 36 quality hotels strategically located across New South Wales and Queensland. The company delivers bespoke experiences for each community it operates in, enriching communities through its hospitality. Redcape is committed to delivering sustainable distributions and growing earnings through its proven operating platform, active portfolio management and accretive acquisitions.



1. Portfolio consists of 34 Freehold Going Concerns and 2 Leasehold Going Concerns
2. 23 Freehold Going Concerns and 1 Leasehold Going Concern



Appendix C: Venues

Aspley Hotel

1247 Gympie Road, Aspley, QLD, 4034

Andergrove Tavern

64 Andergrove Road, Mackay, QLD, 4740

Australian Hotel and Brewery

350 Annangrove Road, Rouse Hill, NSW, 2155

Cabramatta Hotel

170 Cabramatta Road, Cabramatta West, NSW, 2166

Campbelltown Hotel

32 Blaxland Road, Campbelltown, NSW, 2560

Cedars Tavern

139-173 Popondetta Road, Emerton, NSW, 2770

Central Hotel Shellharbour

3 Memorial Drive, Shellharbour, NSW, 2529

Crescent Hotel

81 The Crescent, Fairfield, NSW, 2165

Eastern Creek Tavern

64 Huntingwood Drive, Huntingwood, NSW, 2766

Eastwood Hotel

89-115 Rowe Street, Eastwood, NSW, 2122

Eden Brewhouse

381 Redbank Plains Rd, Redbank Plains, QLD, 4301

El Cortez Hotel

337 Canley Vale Road, Canley Heights, NSW, 2166

Figtree Hotel

47 Princes Highway, Figtree, NSW, 2525

Gladstone Hotel

572 Marrickville Road, Dulwich Hill, NSW, 2203

Hermit Park Hotel

100 Charters Towers Road, Hermit Park, Townsville, QLD, 4812

Keighery Hotel

47-51 Rawson Street, Auburn, NSW, 2144

Kings Head Tavern

801a King Georges Road, South Hurstville, NSW, 2221

Lakeview Hotel Motel

4 Government Road, Oak Flats, NSW, 2529

Landmark Hotel

20 West Parade, Eastwood, NSW, 2122

Leumeah Hotel

80 O'Sullivan Road, Leumeah, NSW, 2560

Minskys Hotel

287 Military Road, Cremorne, NSW, 2090

Mt Annan Hotel

12 Main Street, Mt Annan, NSW, 2567

O'Donoghues Hotel

99 Great Western Highway, Emu Plains, NSW, 2750

Prospect Hotel Motel

3 Great Western Highway, Prospect, NSW, 2148

Red Lantern Hotel

280 South Terrace, Bankstown, NSW, 2200

Revesby Pacific Hotel

178 The River Road, Revesby, NSW, 2212

Shafston Hotel

3 Lytton Road, East Brisbane, QLD, 4169

Shamrock Hotel Motel

163 - 175 Nebo Road, Mackay West, QLD, 4740

St Mary's Hotel

33 Queen Street, St Mary's, NSW, 2760

The Crown Hotel Revesby

4 The River Road, Revesby, NSW, 2212

The Sun Hotel

6 Ross River Road, Mundingburra, QLD, Townsville, 4812

The Wattle Hotel

1 Brygon Creek Drive, Upper Coomera, Gold Coast, QLD, 4209

Unanderra Hotel

27 Central Rd, Unanderra, NSW, 2526

Vauxhall Inn

284/286 Parramatta Rd, Granville, NSW, 2142

Wattle Grove Hotel

Cnr Australis Avenue & Village Way, Wattle Grove, NSW, 2173

Willoughby Hotel

315 Penshurst Street, Willoughby, NSW, 2068

Appendix D: Key Risks

This Appendix describes some of the potential risks associated with the Proposal and an investment in Redcape, including by participating in the Rights Issue:

- Part A sets out risks associated with implementation of the Proposal, and risks preventing or delaying implementation of the Proposal.
- Part B sets out risks associated with participation in the Rights Issue and continuing to hold an investment in Redcape as a listed vehicle if the Proposal is not implemented.
- Part C sets out risks specific to Redcape and its business.
- Part D sets out general risks related to Redcape and its business.

These risks could, if they were to eventuate, have a material adverse effect on Redcape's business, financial position, operating and financial performance and the value of the Redcape Securities. Many of the circumstances giving rise to these risks are partially or completely outside the control of the Responsible Entity or its directors or management and either cannot be mitigated or can only be partially mitigated.

You should note that this is a summary only and is not an exhaustive list of the risks relating to Redcape. There may be additional risks and uncertainties not currently known to Redcape, or not currently considered material, which may have a material adverse effect on Redcape's business, financial position, operating and financial performance and the value of the Redcape Securities.

Before deciding whether to participate in the Buy-Back or the Rights Issue, Redcape Securityholders should carefully read this Presentation, the Booklet and the Explanatory Statement in their entirety and specifically consider these risks.

This Presentation, the Booklet and the Explanatory Statement do not take into account the investment objectives, financial situation, or the particular needs or risk profiles of individual Redcape Securityholders. You should carefully consider the following risks, as well as the other information contained in this Presentation, the Booklet and the Explanatory Statement, and consult your financial, legal, tax or other professional adviser before making any decision in relation to your Redcape Securities.

Part A: Risks associated with the Proposal

(1) Risks associated with the implementation of the Proposal

This section sets out some of the key risks relating to the Proposal. These are additional to those risks set out in Parts C and D below that apply to your current investment in Redcape Securities.

Liquidity

If the Proposal is implemented, Redcape will be delisted. As such, there will be no public market for the sale and purchase of Redcape Securities following implementation of the Proposal, nor is there expected to be any such market in the future. Redcape Securityholders who retain their Redcape Securities may have limited opportunities to sell their Redcape Securities, other than under the Unlisted Liquidity Facility. The Unlisted Liquidity Facility is subject to conditions, caps and other limitations, and there is no guarantee that liquidity will be available under the Unlisted Liquidity Facility at any particular price, on any particular timing, or at all. If liquidity is available under the Unlisted Liquidity Facility, an investor's application for liquidity may be scaled back. Refer to Section 2.5.2 of the Explanatory Statement for further details of the Unlisted Liquidity Facility.

Redcape's status as an unlisted group may affect the ability of a Redcape Securityholder to find a buyer for their Redcape Securities at a price acceptable to the Redcape Securityholder (notwithstanding that the financial performance of Redcape and its business or the financial statements of Redcape might suggest the value of those Redcape Securities is higher).

Scale-back under the Buy-Back

There is a risk that the number of Redcape Securities brought back from each Buy-Back Eligible Securityholder who elects to participate in the Buy-Back will be scaled back from their election. This scale-back will occur if the total number of Redcape Securities to be bought back exceeds the Buy-Back Limit. Refer to Section 8.2.3 of the Explanatory Statement, or Section 9.1(b) of the Booklet for details regarding how any scale-back under the Buy-Back will be conducted.

Securityholder concentration

Depending on the level of take-up under the Buy-Back and the Rights Issue, MA Financial Group and its associates could control up to no more than 77.7% of Redcape Securities. Accordingly, these parties will continue to be in a position to exert significant influence over matters relating to Redcape and may control Redcape. Although the interests of these Redcape Securityholders and other Redcape Securityholders are likely to be aligned in most cases, there may be instances where their respective interests diverge. For example, the Manager, which is a Subsidiary of MA Financial Group may obtain higher performance fees if Redcape undertakes transactions and raises additional capital which may not coincide with the preferences of particular Redcape Securityholders.

Tax consequences for Redcape Securityholders

If the Proposal proceeds, there may be tax consequences for Redcape

Securityholders. There will be capital gains tax consequences for Buy-Back Eligible Securityholders who hold their securities on capital account and participate in the Buy-Back. Further, if the Buy-Back is funded through the sale of assets in Redcape's portfolio, the Responsible Entity proposes to attribute any capital gains realised from the sale of the properties to Redcape Securityholders who participate in the Buy-Back. If the take up of the Buy Back and Rights Issue proceeds in such a way that Unlisted Redcape does not qualify as a "public unit trust scheme" for Queensland duty purposes, the Unlisted Liquidity Facility and any proposed future equity raising may give rise to Queensland duty for investors. The Manager intends to take all reasonable steps to enable Unlisted Redcape to become a "public unit trust scheme" as soon as is practical to mitigate possible adverse Queensland duty implications.

Further information on the tax consequences of the Proposal is set out in Section 9 of the Explanatory Statement. Redcape Securityholders should seek their own professional advice regarding the individual tax consequences of the Proposal.

Increase in gearing

As a result of the Buy-Back, the level of gearing of the Trusts will increase. As described in Section D, gearing exposes Redcape to any changes in interest rates and increases its exposure to movements in the value of its property portfolio or performance measures, potentially leading to an increase in the volatility of earnings. A higher level of borrowings also increases the risk associated with the use of debt, including having to sell assets or raise equity on disadvantageous terms in order to keep within loan covenants, or of being unable to sell assets or raise equity and defaulting on loan covenants, or being unable to refinance when the loan term expires.

If the value of Unlisted Redcape's assets fall and Directors Gearing increases above the targeted gearing level of 40.0 – 50.0% Directors Gearing, the Responsible Entity will implement a strategy to restore the level of Directors Gearing to 50.0% or below. To the extent its required, asset sales may be pursued by the Responsible Entity following the Delisting to reduce gearing. However, there is no guarantee that sale opportunities on commercially appropriate terms will be available to the Responsible Entity for this purpose.

Key Risks (cont.)

Listing Rules and Takeovers Rules will no longer apply

If the Proposal is implemented, Redcape will no longer be subject to the Listing Rules or Takeovers Rules. Refer to Sections 3.3.4 and 3.3.6 of the Explanatory Statement for further information.

Change in control risk

The Responsible Entity has reviewed Redcape's material contracts and is not aware of any material contract which will have a termination right or other adverse right that it considers likely to be triggered as a result of the Proposal. However, there is a risk that change in control provisions in contracts to which Redcape is a party, including lease agreements, supplier agreements and licensing and regulatory approvals, may be triggered by the Proposal or by changes in the ownership of Redcape once unlisted if MA Financial Group and its associates move to a control position and if Redcape cannot obtain the relevant counterparty's consent. In such a case, this may give the counterparty a right to terminate the agreement, which in turn has the potential to affect Redcape's operations and financial performance.

Additionally, Redcape Securityholders should be aware that future changes of control of Redcape following the Delisting may trigger a change of control under contracts in circumstances where it would not have been triggered prior to the Delisting. The reason for this is some of Redcape's contracts include exclusions from the change of control provisions for changes that occur while the parent entity is listed. As a result, a future change of control of Redcape may give counterparties termination rights which they would not have had if Redcape had remained listed.

(2) Risks preventing or delaying implementation of the Proposal

Financing / underwriting risk

While the Responsible Entity has obtained financing and the Rights Issue has been underwritten, each of those funding arrangements contains conditions and termination events as summarised in Section 11 of the Explanatory Statement. If a condition of that funding could not be satisfied or a termination event was triggered and the relevant funder relied on that matter to not provide the funding, the Buy-Back may not be able to be implemented which may affect the ability of the Responsible Entity to implement the Proposal and to Delist Redcape.

Risks if the Proposal is not implemented

If the Proposal is not implemented, Redcape Securityholders will continue to hold their Redcape Securities, which will continue to be traded on ASX. There may be relatively few potential buyers or sellers of the Redcape Securities on ASX at any time. This may increase the volatility of the market price of the Redcape Securities and if the Proposal does not proceed, the price of Redcape Securities may fall. In these circumstances the price at which Redcape Securities may trade on ASX, and the liquidity of Redcape Securities, is uncertain. Further, Redcape will have incurred transaction costs in relation to the Proposal even if it does not proceed.

Part B: Risks associated with participation in the Rights Issue and continuing to hold an investment in Redcape as a listed vehicle if the Proposal is not implemented

If Redcape continues as a listed vehicle, the key risks which have been previously disclosed regarding investment in Redcape as a listed vehicle will continue to apply. These risks, which were disclosed in more detail in the IPO PDS, include the following:

Price fluctuation and trading volatility

While Redcape is listed on the ASX, it is subject to general market risk that is inherent in all securities listed on a securities exchange. This may result in fluctuations in the price of Redcape Securities including fluctuations that are not explained by the fundamental operations and activities of Redcape. The price of Redcape Securities quoted on ASX may rise or fall due to a number of factors, including but not limited to general economic conditions, changes in government policy, legislation and regulation, and the nature of the markets in which Redcape operates.

While Redcape Securities are quoted on ASX, there can be no guarantee that there will be an active trading market for Redcape Securities or that the price of Redcape Securities will increase, and Redcape Securityholders risk loss of some or all of their capital. Redcape Securityholders will be subject to potential volatility in trading, including due to the effects of the COVID-19 pandemic.

Taxation changes

Changes to taxation law or duties, and interpretation of taxation or duties laws, may adversely impact Redcape Securityholder returns, as may changes to the tax payable by Redcape Securityholders in general. Changes in the tax status of one or both Trusts, such as if

Trust I ceased to be an attribution managed investment trust, or if Unlisted Redcape did not initially qualify as a "public unit trust scheme" for Queensland duty purposes (which may depend on the level of take-up of the Buy-Back and the Rights Issue), could have adverse taxation consequences for Redcape Securityholders.

An investment in Redcape Securities involves tax considerations which differ for each Redcape Securityholder. Redcape Securityholders are encouraged to seek professional tax advice in connection with any investment in Redcape.

Part C: Risks relating to the business and operations of Redcape

This Part sets out risks associated with an investment in Redcape Securities which are specific to Redcape's business activities and operations. This list of risks is not exhaustive and Redcape Securityholders should refer to the IPO PDS for further information.

COVID-19

The COVID-19 pandemic has caused, is currently causing, and may continue to cause significant disruption to, Redcape's business, the sectors in which Redcape operates as well as securities markets.

The lockdowns in Sydney and other parts of New South Wales and Queensland have caused and are causing significant disruption to Redcape's operations and impacting on its financial performance and cash position.

As outbreaks of COVID-19 have occurred and then become controlled, Australia has observed the iterative introduction and removal by Federal and State governments of laws and regulations intended to suppress the transmission of COVID-19. Examples of these measures include, but are not limited to social distancing rules, capacity limits at hospitality venues, and lockdowns.

Key Risks (cont.)

Once the restrictions which are in place at the date of this Presentation are eased, Redcape may continue to experience significant disruptions to its operations which are caused by continuing laws and regulations designed to suppress transmission of COVID-19, and the reintroduction of more severe measures in the case of further outbreaks or variants. Disruptions may also be caused by ongoing customer concerns regarding pandemic risks (which may discourage patronage of Redcape's hotels and pubs), and by any visitation of premises by people who have been exposed to COVID-19 (including both employees and customers) which may require Redcape to close those premises for periods of time or discourage customers from attending those premises. These disruptions may result in material adverse impacts on Redcape's financial and operating performance, cash position and ability to comply with its covenants. As it has done in previous lockdowns, Redcape would engage with its lenders to seek the appropriate waivers if it was at risk of breaching its covenants.

The long term impact of the COVID-19 pandemic upon Redcape's employees and suppliers, and on consumer preferences and behaviours, business activity levels, and regional and global economic conditions and cycles, is not yet known.

Regulatory risk

There is an extensive regulatory regime that affects many aspects of Redcape's business, including restrictions on the number of electronic gaming machines permitted in pubs, restrictions on Gaming Machine Entitlements and forfeitures and taxation of gaming machine revenues. It is likely that State and Territory governments will continue addressing issues such as alcohol-based violence, health reforms and problem gambling. The extent and degree of regulation differs on a state-by-state basis. Inconsistencies in the regulatory regimes, as well as potential changes in legislation and government policies, or the interpretation of legislation and policies, may adversely impact on Redcape's profitability. Any legislative or regulatory changes in NSW or QLD may have a greater adverse impact on Redcape's profitability given the geographic concentration of Redcape's pubs.

Redcape is bound by laws relating to the prevention of money laundering and the financing of terrorism, including the Anti-Money

Laundering and Counter-Terrorism Financing Act 2006 ("**AML/CTF Laws**"). Redcape could face civil penalty proceedings, and other legal and regulatory sanctions, as well as reputational damage, following any failure to comply with AML/CTF Laws. Penalties, fines or other compensation payable as a result of any breach of AML/CTF laws, and related reputational damage, could have a material adverse effect on the Redcape's business, financial condition and performance, and operating performance and growth.

There is a risk that liability arising from workplace health and safety matters at a Redcape pub may be attributable to Redcape and, to the extent that Redcape bears any such liability which is not covered by insurance, this may impact Redcape's financial performance. In addition, Redcape may have to pay monetary penalties, which may also adversely affect its financial performance.

A failure by Redcape to comply with any of the regulatory regimes and associated licenses which apply to its operations may significantly and adversely affect Redcape's reputation and financial performance and any Redcape Securityholder's investment in Redcape.

Supplier risks

Redcape has a number of agreements with certain suppliers for the supply of key business inputs, such as EGMs, liquor and food. All current supply arrangements are based on commercial supplier and customer terms, and the interruption or termination of these supply agreements may have a material adverse impact on Redcape. Additionally, Redcape cannot guarantee that its existing arrangements with key suppliers will be renewed, or renewed on terms similar to its current supply terms.

Demographics and changes in consumer preferences and tastes risk

Consumers' spend on entertainment and alcoholic beverages is discretionary in nature, and as such, Redcape's offering of products and services in its pubs, and its financial performance, may be affected by changes in consumers' disposable income, or their preferences as to the utilisation of that disposable income. Any decrease in the real disposable income of Redcape's patrons in NSW and QLD as a result of general economic forces, such as an increase in interest rates, may decrease consumer confidence and consumer

demand, which may subsequently result in lower levels of trading activity and Redcape's profitability.

Additionally, any changes in population density, growth and demographics in local communities may adversely affect Redcape's financial performance and the value of an investment in Redcape. Conversely, any increase in the real disposable income of Redcape's patrons may lead to increased competition, from both existing and prospective entrants, in the NSW and QLD pub industry.

Further, any change in Australian attitudes towards, and societal norms concerning, gambling and alcohol consumption and their potential implications may affect Redcape's profitability.

Technology changes, including product development in the EGM industry and offerings for online and mobile gaming, could drive a change in the level of consumer demand for EGMs and lead to lower demand for Redcape's existing EGMs.

Competition risk

Redcape could be adversely affected by increased competition in the pub, gaming and retail liquor markets in NSW and QLD. Redcape's pubs compete for customers with a wide variety of other pubs and entertainment venues, and Redcape's competitors may be better equipped and could have access to greater financial resources than Redcape. Further, change to the design or application of the classification of Local Government Area gaming 'bands' in NSW may increase competition in the Local Government Areas in which Redcape operates.

Furthermore, the various offerings of online and mobile gaming also pose a risk to Redcape which may detrimentally affect its operations and financial performance. Increased competition in the retail liquor markets and other specialty stores in the regions of Australia in which Redcape operates, including competing with supermarkets where alcoholic and other products could be purchased more cheaply, as well as general competition with alternative entertainment and leisure activities, has the potential to adversely affect Redcape's profitability

Key Risks (cont.)

Rapid changes in technology may lead to Redcape's competitors introducing technologies that provide them with a competitive advantage relative to Redcape and may lead to increased risk of asset obsolescence.

Acquisition and disposal risk

In seeking to maximise returns for Redcape Securityholders, Redcape may acquire further pubs in accordance with its acquisition strategy. The risks faced by Redcape in relation to a future acquisition will depend on the terms of the transaction at the time. Future acquisitions may affect the value of, and returns from, an investment in Redcape. There is a risk that Redcape may be unable to source and acquire properties or pubs, as well as dispose of any pubs or properties, on commercially appropriate terms, which may in turn limit Redcape's growth. There is also a risk that Redcape may be unable to successfully integrate any future acquisitions into its business model, or deliver the anticipated returns from those acquisitions.

Additionally, distributions may be adversely affected by future acquisitions or disposals, and there is no guarantee that any future acquisitions or disposals will enhance the investment returns of Redcape Securityholders.

Refurbishment and development risk

There is a risk that future refurbishments of the Redcape portfolio are delayed, take longer or cost more than anticipated to implement or be completed, which may detrimentally affect Redcape's profitability and future returns.

Additionally, there is no guarantee the refurbishment of gaming facilities of certain premises will add value to, or result in improved profitability of, the Redcape portfolio or its operations.

Furthermore, delays in obtaining any relevant development approvals, planning and zoning issues and any failure to complete renovations or developments according to previously agreed timelines may result in a loss of revenue, and may have a material detrimental effect on Redcape's profitability and financial performance.

Part D: General Risks

Global health pandemics

Global health pandemics, such as COVID-19, can cause significant

disruption to consumer behaviours and activity levels, in the sectors in which Redcape operates, as well as to securities markets and global and regional economic conditions and cycles. These pandemics can therefore directly and adversely impact the operation of Redcape's venues and supply chains, including through changes in consumer behaviours, and the introduction of laws and regulations designed to suppress the transmission of viruses and disease.

Gearing risk

Gearing exposes Redcape to any changes in interest rates and increases its exposure to movements in the value of its property portfolio or performance measures. If Redcape's level of gearing increases over the term of its debt financing, this will increase the volatility of earnings and increase the level of financial risk, including the risk of default under Redcape's financing facilities. Higher gearing may also affect Redcape's ability to refinance its financing facilities.

Funding and extension and refinancing of debt

Redcape's ability to raise funds from either debt or equity markets in the future, on favourable terms for future activities, depends on a number of factors, including the:

- state of debt and equity markets at the time;
- general economic and political climate;
- appetite of finance providers to provide debt to pub industry operators;
- appetite of finance providers to provide debt to unlisted vehicles as opposed to listed vehicles;
- performance, reputation and financial strength of Redcape; and
- value of Redcape's business and properties in its portfolio.

If Redcape raises further equity funding this may dilute the interest of Redcape Securityholders if they are not provided with an opportunity to participate, or do not participate, in the equity issue. For example, while the Rights Issue is intended to fund the Buy-Back, on a scenario where the take up of Rights by Redcape Securityholders exceeded the number of Redcape Securities in respect of which applications to sell in the Buy-Back are received, Redcape Securityholders who did not participate in the Rights Issue would be diluted.

There is a risk that Redcape may not be able to refinance its debt

before expiry or may not be able to do so on as favourable terms as its current financing facilities.

Facility undertakings and covenants risk

Under Redcape's financing facilities, Redcape is subject to a number of undertakings and covenants, including in relation to loan to value levels and interest cover ratios. An event of default would occur if Redcape fails to maintain these financial covenants. This may be caused by unfavourable movements in interest rates (to the extent interest rates are not hedged) or deterioration in the income or the value of Redcape's operations or the properties in its portfolio. In the event that an event of default occurs, the lender may require immediate repayment of facility. Redcape may need to dispose of all or parts of its business or properties in its portfolio for less than their market value, raise additional equity, or reduce or suspend distributions in order to repay Redcape's financing facilities.

Interest rate risk

To the extent that interest rates are not hedged, unfavourable movements in interest rates could lead to increased interest being incurred by Redcape in respect of its current and future debt facilities. Any such movement may have a negative impact on Redcape's financial position and results.

Increased general interest rates may also result in a reduction in consumers' discretionary income (which may affect Redcape's operations), increased capitalisation rates for pub real estate (which may negatively impact the valuation of Redcape's existing pubs) and a reduction in the attractiveness of debt funding for Redcape's growth initiatives such as refurbishments and acquisitions.

Reputational risk

There is a risk that Redcape's reputation may erode if Redcape fails to comply with its licences and regulatory requirements, or if there is any episode of death, armed robbery or violence at any of Redcape's pubs or other occurrences which adversely affect the reputation of Redcape's pubs. Further, episodes of death, armed robbery or violence may result in the loss of patronage.

These risks may in turn detrimentally affect Redcape's profitability and financial performance.

Key Risks (cont.)

Cyber security, data and privacy risk

Redcape collects a range of customer, supplier, employee and company data through its ordinary course of business. In addition, through providing certain online services, such as the ability for customers to reserve hotel bookings online, Redcape is exposed to risks relating to security of customer information and payment details.

Cyber-attacks, data breaches or unauthorised access to confidential information such as customer information may have a negative impact on Redcape's operations and reputation and could cause Redcape to suffer financial loss and regulatory consequences.

Changing community expectations with respect to ESG standards

Changes in community expectations regarding ESG standards and risk management (such as responsible sourcing of products, serving of alcohol and gaming, and community engagement) may impact the hospitality and pub industries, including the operations and profitability of Redcape. These changes in community expectations may also lead to regulatory changes and increased operational and compliance costs for Redcape and restrict Redcape's ability to attract financing and investment.

Reliance on the Manager, key management and ability to attract and retain key staff risk

Redcape relies on the expertise and experience of the Manager and its key executive directors and management. As a consequence, the breach or termination of the Investment Management Agreement or Hotel Operating Agreement by the Manager or the loss of key personnel and senior management by the Manager could have an adverse impact on the management and financial performance of Redcape and returns to Redcape Securityholders.

Additionally, the operations of Redcape's business depend on its ability to attract and retain quality venue staff. Any changes that adversely impact Redcape's ability to attract and retain key venue staff may adversely impact Redcape's profitability, and Redcape Securityholder returns from Redcape Securities.

Employment costs and disputes risk

Redcape has a range of agreements with various employees and contractors which are on a rolling basis and may be amended or terminated by complying with the relevant notice periods. In addition, Redcape's ability to appropriately manage its labour needs and requirements while controlling costs associated with hiring and training new employees is subject to external factors such as unemployment rates and minimum wage requirements imposed at law.

Disputes may arise in the course of such renegotiations that could disrupt Redcape's operations and in times of high employment or a shortage of appropriately skilled employees, there can be upward pressure on wages. If any of these events occur, Redcape's financial performance and position may be affected.

Property liquidity risk

The properties in Redcape's portfolio are, by their nature, illiquid investments. There is a risk that, if required to do so, Redcape may not be able to realise value for the properties within a short period of time or may not be able to realise the full valuation, which may affect an investment in Redcape.

General economic conditions risk

Redcape currently only has operations in Australia, and its financial performance is subject to general economic conditions in Australia, as well as general economic conditions globally. Prolonged downturn in general economic conditions (including as a result of the COVID-19 pandemic) may impact the demand for Redcape's services, decreasing consumer demand and lowering sentiment or its assets, which may affect the ability of Redcape to fulfil its investment objectives and could result in a loss of some or all of Redcape Securityholders' capital invested in Redcape. These events could be expected to have a material impact on Redcape's business and financial performance.

Accounting standards

Changes to Australian Accounting Standards issued by the Australian Accounting Standards Board or changes to the application and interpretation of those standards could materially adversely affect the financial performance and position reported in Redcape's financial statements.

General business risks

Redcape is subject to a number of additional general business risks, including but not limited to litigation, environment, IT systems and insurance risks, and the risk of counterparties failing to perform obligations under contracts with Redcape. Further information regarding these risks is disclosed in the IPO PDS.

Appendix E: Foreign restrictions – Buy-Back

This Presentation and the Buy-Back and Rights Issue Booklet do not constitute an offer to purchase securities in any jurisdiction in which it would be unlawful. Securities may not be offered for purchase in any country outside Australia and New Zealand except to the extent permitted below.

China

This document does not constitute an offer to purchase any securities in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan).

This document is being distributed only to existing securityholders of Redcape in connection with a buy-back offer for cash.

Hong Kong

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Malaysia

This document may not be distributed to, and no offer of securities can be made to, the public in Malaysia. This document may only be distributed in Malaysia to Redcape Securityholders.

Singapore

This document and any other materials relating to Redcape Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer to purchase Redcape Securities may not be issued, circulated or distributed, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to,

and in accordance with the conditions of any other applicable provisions of the SFA. Moreover, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This document has been given to you on the basis that you are an existing holder of Redcape Securities. In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document and any other document or materials in connection with the offer to purchase Redcape Securities to any other person in Singapore.

South Africa

The Buy-Back does not constitute an offer of securities to the public under the South African Companies Act and, accordingly, this document does not constitute a prospectus prepared or registered under the South African Companies Act.

This document may only be distributed in South Africa to existing Redcape Securityholders.

United Kingdom

Neither this document nor any other document relating to the Buy-Back has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Redcape Securities. This document is issued on a confidential basis to Redcape Securityholders and does not relate to the offer of transferable securities to the public in the United Kingdom or the admission of transferable securities to trading on a regulated market situated or operating in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the offer has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to Redcape.

In the United Kingdom, this document is being distributed only to, and is directed at, persons to whom it may lawfully be made within the circumstances described in Article 43 of the FSMA (Financial Promotion) Order 2005 and/or any other persons to whom it may lawfully be communicated (all such persons being referred to as "Relevant Persons").

This document is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

Redcape Securityholders located in the United States should be aware that the Buy-Back is being conducted in accordance with applicable law and practice in Australia. The disclosure requirements in relation to a tender offer in Australia differ from those applying in the United States.

Redcape is an Australian stapled group. All of its directors and executive officers reside outside the United States and all of its assets are located outside the United States. As a result, it may be difficult for US investors to effect service of process in the United States upon such persons or to enforce against Redcape or such persons in foreign courts a judgement predicated upon the civil liability provisions of the federal securities laws of the United States.

This document has not been submitted to or reviewed by the US Securities and Exchange Commission or any US state securities regulator. None of these authorities has passed upon the merits of the Buy-Back nor the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence. US Redcape Securityholders should consult their tax adviser to ascertain the specific tax implications of the Buy-Back in relation to their own affairs.

The Responsible Entity makes no recommendation as to whether securityholders should participate in the Buy-Back.

Appendix F: Foreign restrictions – Rights Issue

Eligibility of investors for the purposes of the Rights Issue is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Responsible Entity and the Underwriter.

To the maximum extent permitted by law, each of the Responsible Entity and its respective affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers and each Underwriter Party disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion.

This document does not constitute an offer of New Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing securityholders of Redcape with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Securities.

The New Securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing securityholders of Redcape. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Redcape.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Appendix G: Underwriting agreement

The Rights Issue is fully underwritten by the MA Moelis Australia Advisory Pty Ltd (**Underwriter**) under the Underwriting Agreement. Any New Securities which are not taken up by Rights Issue Eligible Securityholders pursuant to their Right and any application for Additional New Securities will form part of a shortfall to be taken up by the Underwriter on the terms and conditions of the Underwriting Agreement.

New Securities will only be issued to the Underwriter if required to meet Buy-Back demand following the application of funds raised from: (i) take up of Rights by Rights Issue Eligible Securityholders; (ii) \$115.0 million of debt funding, and (iii) funds raised from any Additional New Securities issued to Buy-Back Eligible Securityholders.

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriter. The Underwriter may terminate the Underwriting Agreement if certain termination events occur, including but not limited to:

1. any of the offer documents or any aspect of the Rights Issue do not comply with the Corporations Act;
2. the Responsible Entity is prevented from allotting or issuing Redcape Securities under the Rights Issue within the time required by any applicable laws or regulatory requirements;
3. the S&P/ASX 300 Index falls to 85% or lower than its level as at 5.00pm on the business day immediately preceding the date of the Underwriting Agreement and remains at or below this level for three consecutive Business Days, or closes at or below 85% this level on the Business Day prior to the date of settlement of the Rights Issue;
4. a new circumstance arises which is outside the Underwriter's control and would have been required to be included if it had arisen before lodgement, which is materially adverse to applicants under the Rights Issue;
5. there is an actual, or development involving a prospective, material adverse change or effect in or affecting, among other things, the business, operations, financial position or result of operations of the Group or otherwise in relation to the Group provided that no impact on the Group of COVID-19 related

lockdowns or trading restrictions during the period up to 31 October 2021, or after that date where any such impact is substantially less than the impact of the lockdowns and restrictions in place as at 18 August 2021, will be taken to be a material adverse change or effect;

6. any of the Group's existing facility or loan agreements is, among other things, withdrawn, varied, terminated or failed to be complied with or a condition to drawdown is breached or becomes incapable of being satisfied;
7. a regulatory body withdraws or amends any regulatory approvals required for the Responsible Entity to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the disclosure relating to the Rights Issue;
8. any member of the Group, the Responsible Entity and the Manager or any of their respective directors or officers engages in any fraudulent conduct, is charged with an indictable offence, or has any public action by any governmental agency commenced against them, or any director of the Responsible Entity or the Manager is disqualified from managing a corporation;
9. New Securities issued under the Rights Issue are not granted unconditional approval for official quotation on ASX, or that approval is (or is likely to be) withdrawn, qualified or withheld;
10. Without prior consent of the Underwriter, there is a material change in the ownership structure of Redcape or the Responsible Entity disposes or attempts to dispose of a substantial part of the business or property of a member of the Group, or the Constitution is amended.
11. The Responsible Entity, the Manager or any Group Member becomes Insolvent, or an act occurs or an omission is made which may result in the Responsible Entity, the Manager or a Group Member becoming Insolvent;
12. there is a timing delay in respect of certain events in connection the Rights Issue more than 2 Business Days without the prior written approval of the Underwriter; or
13. the Responsible Entity does not provide any certificate as required

by the Underwriting Agreement.

The Underwriter may also terminate the Underwriting Agreement if, in the Underwriter's reasonable opinion, an event has, or is likely to have, a material adverse effect on the success of the Rights Issue, the ability of the Underwriter to market or promote the Rights Issue, the willingness of persons to apply for, or settle obligations to subscribe for New Securities, the price at which New Securities are likely to trade, or has given or is likely to give rise to a contravention, or involvement in a contravention, by the Underwriter or its affiliates of any applicable law, or a liability for the Underwriter or its affiliates, including but not limited to the following:

- the commencement of legal proceedings, or a regulatory enquiry or public action, against the Responsible Entity, the Manager or any member of the Group or of legal proceedings against any of their directors;
- any modification or waiver by ASIC or ASX respectively, obtained in satisfaction of the condition precedents are withdrawn, revoked or amended without the prior written approval of the Underwriter;
- if the Responsible Entity, the Manager or any member of the Group is involved in any activity which breaches any law, the Listing Rules, its constitution or other constituent documents, any legally binding requirement by a Government Agency, or any other undertaking or instrument or authorisation binding on it;
- if a representation or warranty contained in the Underwriting Agreement on the part of the Responsible Entity is breached, becomes not true or is not performed;
- the Responsible Entity fails to comply with any of its obligations under the Underwriting Agreement;
- if a statement in a certificate provided in accordance with the Underwriting Agreement is untrue, incorrect or misleading or deceptive;
- if any of the obligations under any contracts that are material to the Group's business are not capable of being performed, or those contracts are amended without the Underwriter's consent, terminated or are capable of being terminated or of limited force and affect, or performance is or becomes illegal;

Underwriting agreement (cont.)

- in respect of any one or more of Australia, New Zealand, the United States of America, the United Kingdom, Japan, any member state of the European Union, and the People's Republic of China, North Korea and South Korea, hostilities not presently existing commence, a major escalation in existing hostilities occurs, or a terrorist act is perpetrated in any of those countries or a diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
- there is: introduced into the Parliament of the New Zealand, the United States, the United Kingdom, Hong Kong, any member state of the European Union, Commonwealth of Australia or any State or Territory of Australia, or publicly proposed, a new law which regulates either or both of the Rights Issue and Redcape; or
- there are certain disruptions to political conditions, financial markets and commercial banking activities in various jurisdictions;
- trading on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for at least one day on which that exchange is open for trading.

Exercise by the Underwriter of a termination right under the Underwriting Agreement would discharge the Underwriter from its obligations under the Underwriting Agreement. However, it does not terminate the Rights Issue automatically.

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Redcape
HOTEL GROUP