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REEF
CASINO TRUST

29 September 2025

Market Announcements Office

Australian Securities Exchange
PO Box H224
AUSTRALIA SQUARE NSW 1215

Dear Sir/Madam

Reef Casino Trust (ASX:RCT) – off-market takeover bid by Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust – lodgement of Target's Statement

We refer to the announcement of Reef Corporate Services Limited ABN 66 057 599 621, in its capacity as responsible entity of the Reef Casino Trust ARSN 093 156 293 (**RCT**) on 28 August 2025 regarding the off-market takeover bid by Iris Cairns Property Pty Ltd ACN 686 055 514 as trustee for the Iris Cairns Property Trust ABN 37 481 296 645 (**Iris**) for all of the issued units in RCT (**Offer**).

In accordance with item 14 of section 633(1) of the *Corporations Act 2001* (Cth), a copy of RCT's Target Statement in relation to the Offer (**Target's Statement**) is attached to this announcement.

The Target's Statement has today been lodged with the Australian Securities & Investments Commission and served upon Iris. In accordance with section 110D and item 12 of section 633(1) of the *Corporations Act 2001* (Cth), RCT has today despatched, or will despatch, a letter to RCT unitholders (via the RCT unitholder's nominated email address or priority post) containing details as to how to access the Target's Statement.

The Target's Statement sets out RCT's formal response to, and important information about, the Offer, including the consideration of the Offer by the independent board committee established by RCSL and the **unanimous recommendation by the Board of Directors of RCT (both independent and non-independent)** that Unitholders **ACCEPT** the Offer (in the absence of a superior proposal and subject to the appointed independent expert giving, and not revoking, a 'Reasonable Opinion' (as defined in the Target's Statement)) along with the reasons for that recommendation.

Lonergan Edwards & Associates Limited, an independent expert appointed by RCT in relation to the Offer, has concluded that the Offer is **fair and reasonable** to RCT unitholders (in the absence of a superior proposal) and that certain other transactions contemplated by the Offer do not amount to a collateral benefit (including, for this purpose, that those transactions do not amount to a net benefit). A copy of the independent expert's report accompanies RCT's Target's Statement.

Unitholders that have any questions in relation to the Target's Statement and the Offer should call the Unitholder Information Line. The telephone number for the Unitholder Information Line is 1300 077 160 (for calls made from within Australia) or +61 1300 077 160 (for calls made from outside Australia) or alternatively you can send an email to Open Engagement at brendan@openengagement.au. The Unitholder Information Line is available Monday to Friday (excluding public holidays) between 8am and 6pm (Queensland time). Please note that calls to the Unitholder Information Line may be recorded.

This announcement has been approved and authorised for release by the Board of Directors of RCT.

Yours sincerely

Brad Sheahon

Chief Executive Officer
Reef Corporate Services Limited
Responsible Entity, Reef Casino Trust

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This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Reef Casino Trust

Reef Corporate Services Limited ABN 66 057 599 621
as responsible entity for Reef Casino Trust
ARSN 093 156 293

Target's Statement

YOUR DIRECTORS, INDEPENDENT AND NON-INDEPENDENT, UNANIMOUSLY RECOMMEND THAT YOU ACCEPT THE TAKEOVER OFFER FROM IRIS (IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT GIVING A REASONABLE OPINION).

This Target's Statement has been issued in response to the off-market takeover bid made by Iris Cairns Property Pty Ltd (ACN 686 055 514) as trustee for the Iris Cairns Property Trust (ABN 37 481 296 645).

FINANCIAL ADVISER

morgans

AUSTRALIAN LEGAL ADVISER

HERBERT SMITH FREEHILLS KRAMER

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Important notices

Nature of this document

This document is a Target's Statement issued by Reef Corporate Services Limited ABN 66 057 599 621 (**RCSL**) as responsible entity for Reef Casino Trust ARSN 093 156 293 (**RCT**) under Part 6.5 Division 3 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in response to the off-market takeover bid made by Iris Cairns Property Pty Ltd (ACN 686 055 514) as trustee for the Iris Cairns Property Trust (ABN 37 481 296 645) (**Iris**) for all of the Units in RCT (**Takeover Bid**).

A copy of this Target's Statement was lodged with ASIC and given to ASX on 29 September 2025. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

Key dates

Date of Iris' Offer	12 September 2025
Date of this Target's Statement	29 September 2025
Close of Iris' Offer Period (unless extended or withdrawn)	7.00pm (Sydney time) on 13 March 2026

RCT Unitholder information

RCT has established a Unitholder Information Line that Unitholders may call if they have any queries in relation to Iris' Offer. The telephone number for the Unitholder Information Line is 1300 077 160 (for calls made from within Australia) or +61 1300 077 160 (for calls made from outside Australia) or alternatively you can send an email to Open Engagement at brendan@openengagement.au. The Unitholder Information Line is available Monday to Friday (excluding public holidays) between 8am and 6pm (Queensland time). Please note that calls to the Unitholder Information Line may be recorded.

Further information relating to Iris' Offer can be obtained from RCT's website at www.reefcasino.com.au/trust.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are capitalised and explained in section 11 of this Target's Statement.

In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement (including in the Independent Expert's Report) may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to

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the industry in which RCT operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. None of RCT, RCT's officers and employees, any persons named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Target's Statement (including in the Independent Expert's Report) reflect views held only as at the date of this Target's Statement.

Disclaimer as to information

The information in relation to Iris, including its related parties, contained in this Target's Statement has been prepared by RCT using publicly available information and information contained in the Bidder's Statement. The information in the Target's Statement in relation to Iris, including Iris' assets and liabilities, financial position, funding and performance, profits and losses and prospects and information about its related parties, has not been independently verified by RCT. Accordingly RCT does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Privacy

RCT has collected your information from the register of Unitholders for the purpose of providing you with this Target's Statement. The type of information RCT has collected about you includes your name, contact details and information in respect of your unitholding in RCT. Without this information, RCT would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Unitholders to be held in a public register. Your information may be disclosed on a confidential basis to RCT's external service providers (such as the Unit registry of RCT and print and mail service providers) and may be required to be disclosed to regulators such as ASIC.

If you would like details of information about you held by RCT, please contact Computershare Investor Services Pty Limited at the address shown in the Corporate Directory of this Target's Statement.

RCT's privacy policy is available at www.reefcasino.com.au/trust.

The registered address of RCSL is 35-41 Wharf Street, Cairns, Queensland 4870.

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Letter from the Chair

Takeover bid by Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust

Dear Unitholders

On behalf of the Board, I am pleased to provide you with the Reef Casino Trust (**RCT**) Target's Statement in response to the takeover offer from Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust (**Iris**) (**Offer**), for the acquisition of all Units in RCT. You will have already received a Bidder's Statement from Iris containing an Offer for your Units.

About Iris and the Offer

Iris is a member of the Iris Group (trading under the business name 'Iris Capital'), which is the owner of over sixty hotels. Iris Group owns Lasseters casino in Alice Springs and Casino Canberra in the Central Business District of Canberra.

If you accept the Offer (having been first announced as a potential offer on 26 February 2025) you will receive $3.87 cash for each Unit, subject to the satisfaction of the Conditions to the Offer.

Iris has also entered into share purchase agreements with RCT's two largest Unitholders, Casinos Austria International Ltd (**CAIL**) and Accor Casino Investments (Australia) Pty Ltd (**Accor**) (and entities related to them) (together with their related entities, the **Major Unitholders**), under which (subject to the satisfaction of the conditions of those share purchase agreements being satisfied or waived) Iris will acquire all of the issued capital in RCSL and the Operator. The Major Unitholders jointly own RCSL and the Operator and the share purchase agreements in relation to RCSL and the Operator are inter-conditional with the Offer. These transactions are described in more detail in section 10.3 of this Target's Statement.

The Major Unitholders support the Offer

The Offer has the support of the Major Unitholders, who collectively have a Relevant Interest in more than 71% of the Units in RCT. The Major Unitholders have confirmed that they intend to accept the Offer in respect of all of the Units they hold or control at that time, 21 days from the Offer opening, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that:

- the Offer is either fair and reasonable, or not fair but reasonable; and
- the transactions contemplated by the Share Purchase Agreements do not amount to a net benefit.

The Major Unitholders have also confirmed that, once they accept the Offer, they will not exercise any withdrawal rights that may arise if the Offer Period is extended due to the non-satisfaction of the regulatory gaming approval or minimum acceptance conditions, subject to there being no Superior Proposal and the Independent Expert continuing to conclude that the Offer is either fair and reasonable, or not fair but reasonable and the transactions contemplated by the Share Purchase Agreements do not amount to a net

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benefit, at the time a withdrawal right is available. The Major Unitholders do not waive any other withdrawal rights that might arise in connection with the Offer.

An Independent Board Committee has been formed to protect your interests

The Directors of RCSL formed an Independent Board Committee to consider the Offer, comprised of myself and Abigail Cheadle. The other Directors of RCSL are considered to be Non-Independent Directors because of their connections with Accor and CAIL (and entities related to them).

Lonergan Edwards & Associates Limited (**Independent Expert**) has also been appointed to opine on the fairness and reasonableness of the Offer, and whether the Major Unitholders will receive a collateral benefit under the Share Purchase Agreements to acquire RCSL and the Operator (including for this purpose, that there is no net benefit being provided to a particular RCT unitholder). A copy of the Independent Expert Report is attached in Attachment 1.

The Independent Expert has concluded that the Offer is fair and reasonable to Unitholders, in the absence of a Superior Proposal. The Independent Expert also concluded that it is unlikely either of the Major Unitholders would require the provision of any collateral benefit to secure their acceptance of the Offer and the Major Unitholders will not receive a net benefit as a result of the sale of RCSL and the Operator pursuant to the Share Purchase Agreements. We encourage you to read the Independent Expert's Report, which contains a range of information in relation to the Offer as well as RCT and Iris, in full before making a decision as to whether to accept the Offer.

The Independent Board Committee has carefully considered the proposed Offer to assess whether it is in the best interests of Unitholders, and recommended that the Board of RCSL pursue the Offer in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the opinion described above.

Board recommendation

The Independent Board Committee has carefully considered the Offer and, following the recommendation of the Offer to the Board by the Independent Directors, the Directors (Independent and Non-Independent) unanimously recommend that Unitholders accept the Offer in the absence of a Superior Proposal, for the reasons set out in this Target's Statement. As at the date of this Target's Statement, no Superior Proposal has emerged.

In forming this unanimous recommendation, the Directors have carefully considered the following:

- in the opinion of the Independent Expert, the Offer is fair and reasonable, in the absence of a superior proposal. The Independent Expert also considers that it is unlikely either of the Major Unitholders would require the provision of any collateral benefit to secure their acceptance of the Offer and the Major Unitholders will not receive a net benefit as a result of the sales of RCSL and the Operator;
- having regard to RCT's circumstances, including the limited liquidity in Units, the Offer price represents a significant premium to the undisturbed trading price of Units immediately before the Announcement Date;
- the Offer is for 100% certain cash consideration, and provides Unitholders with the opportunity to crystallise cash value and realise their investment upon the successful completion of the Offer;
- if the Offer is successful and the Share Purchase Agreements complete, you may be a minority holder in RCT (where Iris may have the ability to pass special resolutions of RCT unitholders) and Iris will control RCSL and the Operator, where Iris may be entitled to appoint all of the members of the Board and there may be no independent directors of RCSL to represent your interests;

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- the price of Units may fall below current levels if the Offer does not proceed and no Superior Proposal emerges; and
- no Superior Proposal has emerged as at the date of this Target's Statement.

The Offer price of $3.87 per Unit represents:

- a premium of 41.76% to the closing price of Units on 25 February 2025 of $2.73, being the last trading day that Units traded on the ASX prior to the announcement on 26 February 2025;
- a premium of 5.45% to the closing price of Units on 26 September 2025, being the last trading day before the date of this Target's Statement;
- a premium of 44.23% to the volume weighted average price of Units on ASX of $2.6833 over the 5 trading days to and including 25 February 2025;
- a premium of 41.88% to the 1 month volume weighted average price of Units to 25 February 2025 of $2.7276;
- a premium of 43.80% to the 3 month volume weighted average price of Units to 25 February 2025 of $2.6912; and
- a premium of 42.17% to the 6 month volume weighted average price of Units to 25 February 2025 of $2.7221.

Each of the Directors has also advised they intend to accept the Offer in respect of the Units they hold or control within a reasonable period after the Regulatory Conditions are satisfied or waived, in the absence of a Superior Proposal and provided that the Independent Expert gives (and does not materially adversely modify, withdraw or revoke) the Reasonable Opinion.

The detailed terms and conditions of the Offer are contained in the Bidder's Statement which has been prepared by Iris. This Target's Statement includes a discussion of the reasons for the Independent Directors' recommendation as well as other considerations in relation to the Offer.

Further details about these reasons are set out in section 2 of this Target's Statement. The Independent Directors strongly recommend that you read this Target's Statement in its entirety and in conjunction with the Bidder's Statement that you have received from Iris. You should consider the Offer having regard to your own investment objectives, financial situation and taxation position and, if in doubt about what to do, consult your independent legal, financial or other professional adviser.

Further information

Your Directors will continue to update Unitholders on all material developments as they occur in respect of the Offer.

If you have any questions, please contact the Unitholder Information Line on 1300 077 160 (for calls made within Australia) or +61 1300 077 160 (for calls made from outside Australia) or alternatively you can send an email to Open Engagement at brendan@openengagement.au.

Yours sincerely



Wendy Morris
Chair, Reef Corporate Services Limited and
Chair of the Independent Board Committee

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Attachment 1

Independent Expert's Report

Attachment 2

Taxation Report

Attachment 3

Conditions

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1 Frequently asked questions

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Unitholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
Why have I received this document?	You have received this Target's Statement because you are a Unitholder in RCT. This Target's Statement is RCT's formal response to Iris' Bidder's Statement which contains the Offer. It contains important information prepared by RCT to help you determine whether to accept or reject the Offer.
What is Iris' Offer for my Units?	Iris is offering $3.87 for each Unit that you hold.
What choices do I have as a Unitholder?	As a Unitholder, you have the following choices in respect of your Units: • accept the Offer; • sell your Units on the ASX (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance); or • do nothing. There are several implications in relation to each of the above choices. A summary of these implications is set out in section 5 of this Target's Statement.
What are the Directors recommending?	Each Director (both Independent and Non-Independent) recommends that you accept the Offer (in the absence of a Superior Proposal and subject to the Independent Expert giving, and not revoking or withdrawing, a Reasonable Opinion).
What do the Directors intend to do with any Units that they hold?	Each Director that owns or controls Units has advised that they will accept the Offer within a reasonable period after the Regulatory Conditions are satisfied or waived, in the absence of a Superior Proposal and subject to the Independent Expert giving, and not materially adversely modifying, withdrawing or revoking a Reasonable Opinion).

Question	Answer
How do I accept the Offer?	Details of how to accept the Offer are set out in section 10.3 of the Bidder's Statement.
How do I reject the Offer?	To reject the Offer you do not need to do anything. Simply do not respond to the Bidder's Statement sent by Iris.
What are the consequences of accepting the Offer now?	If you accept the Offer while it is conditional and unless withdrawal rights are available (see below), you will give up your right to sell your Units on the ASX or otherwise deal with your Units while the Offer remains open. If you accept the Offer and it becomes Unconditional you will receive consideration of $3.87 for each Unit.
Will the Offer affect my entitlement to receive RCT distributions?	No. During the Offer Period and before the Offer becomes unconditional, and provided that you remain a Unitholder in RCT as at the record date for a particular RCT distribution, you will remain entitled to receive RCT distributions in accordance with RCT's policy of distributing 100% of distributable profits in effect on 11 July 2025. See section 4.9 of this Target's Statement for further details in relation to distributions.
If I accept the Offer, can I withdraw my acceptance?	Once you accept the Offer you will not be able to withdraw your acceptance of the Offer or otherwise dispose of your Units, except in certain circumstances described in the Corporations Act and set out in section 6.8 of this Target's Statement.
Can I accept the Offer for some of my Units?	No. You cannot accept the Offer for part of your unitholding. You can only accept the Offer for all of your Units.
When does the Offer close?	The Offer is scheduled to close at 7.00pm (Sydney time) on 13 March 2026 (unless extended in accordance with the Corporations Act). See section 6.5 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.

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Question	Answer
What are the conditions to the Offer?	There are a number of conditions to the Offer. These are set out in section 10.7 of the Bidder's Statement (and included in Attachment 3 of this Target's Statement) and include: • 80% minimum acceptance; • no other outstanding securities, or offers of securities on issue; • casino and liquor licensing approvals, including Ministerial approval required under clause 30 of the Trust Deed; • all approvals and consents required under the Foundation Agreement being obtained; • no Prescribed Occurrences; • no Regulated Events; • no incurring of significant liabilities by RCT (other than in the ordinary course of business) or material change to its financing arrangements, except with Iris' consent or as contemplated by the BIA; • no regulatory action which would prohibit the Offer from proceeding; • no acquisition or disposal of material assets and no material capital expenditure; • no Material Adverse Change occurs; • the Share Purchase Agreements become unconditional (other than for any condition relating to this Offer becoming unconditional); • no distributions outside of distributions on the Units in accordance with RCT's distribution policy in effect on 11 July 2025; • no persons entitled to exercise rights under material agreements; • no material litigation against RCSL; and • the BIA not being terminated by either party. This section is a summary only and should be read together with the Bidder's Statement and summary in Attachment 3 of this Target's Statement. See section 6.2 of this Target's Statement for further details.
What are the Regulatory Conditions?	The Regulatory Conditions are the Conditions set out in sections 10.7(c) and 10.7(d) of the Bidder's Statement. These are, broadly, the receipt of the required casino and liquor licensing approvals and the approvals required under the Foundation Agreement.

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Question	Answer
What will happen to RCSL and the Operator?	Iris has also entered into agreements with the Major Unitholders (and entities related to them) to purchase: • all of the issued capital in RCSL, the responsible entity of RCT; and • all of the issued capital in Casinos Austria International (Cairns) Pty Limited, the Operator of the Reef Hotel Casino. The Share Purchase Agreements are inter-conditional with the Offer, meaning that the Offer will not proceed unless the acquisitions of RCSL and the Operator also proceed (and vice versa). The Independent Expert has determined that it is unlikely the Major Unitholders would require the provision of any collateral benefit to secure their acceptances of the Offer and the Major Unitholders will not receive a net benefit as a result of the sale of RCSL and the Operator. See section 10.3 of this Target's Statement and section 10.7 of the Bidder's Statement for further details.
What happens if the Conditions of the Offer are not satisfied or waived?	If the Conditions are not satisfied or waived before the Offer closes, the Offer will lapse. You would then be free to deal with Units even if you had accepted the Offer.
How will I know when the Offer is unconditional?	Iris must inform Unitholders as soon as the Conditions have been satisfied or waived. Notices from Iris will be available at our website (www.reefcasino.com.au/trust) or on the ASX website (www.asx.com.au).
When will I be sent my consideration if I accept the Offer?	If you accept the Offer, you will have to wait for the Offer to become Unconditional before you will be sent your consideration from Iris. Subject to the Offer becoming Unconditional, Iris will pay the consideration under the Offer on or before the later of: • one month after the Offer is accepted or one month after all of the Conditions have been waived or fulfilled (whichever is later); and • 21 days after the End Date. See section 6.9 of this Target's Statement for further details on when you will be sent your consideration.

Question	Answer
Will I be forced to sell my Units?	You cannot be forced to sell your Units unless Iris compulsorily acquires your Units. Iris may be entitled to compulsorily acquire your Units on the same terms as the Offer if, during or at the end of the Offer Period, Iris and its Associates have a Relevant Interest in at least 90% (by number) of Units and have acquired at least 75% (by number) of the Units that are the subject of the Offer (unless Iris seeks and obtains court approval to proceed at a lower threshold). Iris has indicated in its Bidder's Statement that, if Iris becomes entitled to compulsorily acquire your Units, it intends to exercise its rights to do so. If your Units are compulsorily acquired by Iris at the end of the Offer Period, you will receive the same consideration for your Units that you would have received under the Offer. In these circumstances, you would be paid later than if you had accepted the Offer before its close.
What are the tax implications of disposing of Units by way of accepting the Offer?	A general overview of the Australian income tax implications for certain Australian and non-resident RCT Unitholders of disposing of their Units by way of accepting the Offer is set out in the taxation report provided by Ernst & Young which is included in Attachment 2 of this Target's Statement as referred to in section 9 of this Target's Statement. As the overview is general in nature and does not constitute advice or consider the circumstances of each RCT Unitholder, RCT Unitholders are encouraged to seek their own independent professional advice as to the tax implications applicable to their circumstances. See also section 8 of the Bidder's Statement.
How do I sell my Units on-market?	To sell your Units on-market at the ASX, you should contact your broker. If you sell your Units on-market, you will receive cash and may incur a brokerage fee (and potentially, GST on that fee).
Is there a number that I can call if I have further queries in relation to the Offer?	If you have any further queries in relation to the Offer, you can call 1300 077 160 (for calls made from inside Australia) or +61 1300 077 160 (for calls made from outside Australia). Calls to these numbers may be recorded.

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2 Why you should accept the Offer and reasons why you may consider not accepting the Offer

2.1 Why you should accept the Offer, in the absence of a Superior Proposal

✓	**The Directors unanimously recommend that you accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is fair and reasonable to Unitholders (or is not fair, but reasonable) and the Major Unitholders will not receive a net benefit as a result of the sale of RCSL and the Operator.**
✓	**The Independent Expert has concluded that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal. The Independent Expert also considers that it is unlikely either of the Major Unitholders would require the provision of any collateral benefit to secure their acceptance of the Offer and the Major Unitholders will not receive a net benefit as a result of the sale of RCSL and the Operator.**
✓	**The Offer price represents a significant premium to the undisturbed trading price of Units before the Announcement Date.**
✓	**The Offer provides Unitholders with certainty of value and cash consideration.**
✓	**The Offer is supported by RCT's Major Unitholders, who collectively account for 71.96% of Units.**
✓	**The price of Units may fall below current levels if the Offer does not proceed and a Superior Proposal does not emerge.**
✓	**No Superior Proposal has emerged as at the date of this Target's Statement.**

(a) The Independent Directors unanimously recommend that you accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the Reasonable Opinion

Each Director unanimously recommends that you accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the Reasonable Opinion.

Each Director who has a Relevant Interest in Units has confirmed to RCT that they intend to accept the Offer in relation to those Units, within a reasonable period after the Regulatory Conditions are satisfied or waived, in the absence of a Superior Proposal and subject to the Independent Expert giving, and not materially adversely modifying, withdrawing or revoking, the Reasonable Opinion.

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As at the date of this Target's Statement, the Offer is the only offer available for your Units and no Superior Proposal has emerged.

(b) The Independent Expert has concluded that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal. The Independent Expert also considers that it is unlikely either of the Major Unitholders would require the provision of any collateral benefit to secure their acceptance of the Offer and the Major Unitholders will not receive a net benefit as a result of the sale of RCSL and the Operator

The Independent Directors appointed the Independent Expert to prepare an independent assessment of the Offer. The Independent Expert has concluded that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal.

The Independent Expert has assessed the value per Unit to be in the range of $3.24 to $3.55. The Offer Price of $3.87 is at a 13.82% premium to the Independent Expert's valuation mid-point of $3.40 per Unit.

The Independent Directors also requested the Independent Expert to assess the Offer in the context of the sale of RCSL and the Operator to determine whether net benefits will be received by the Major Unitholders as a result of Iris also acquiring the Operator and RCSL.

The Independent Expert concluded that:

- given the relativities in the consideration under the Offer and the acquisition of RCSL and the Operator, and the significant premium available under the Offer, it is unlikely, in its view that either of the Major Unitholders would require the provision of any collateral / net benefit to secure their acceptance of the Offer;
- the acquisition of RCSL and the Operator pursuant to the relevant Share Purchase Agreements do not provide any collateral / net benefits to CAIL and/or Accor; and
- it was not aware of any other mechanisms which could exist that would constitute receipt of a net benefit by a Unitholder.

A complete copy of the Independent Expert's Report is contained in Attachment 1 to this Target's Statement.

The Directors encourage you to read the Independent Expert's report in full.

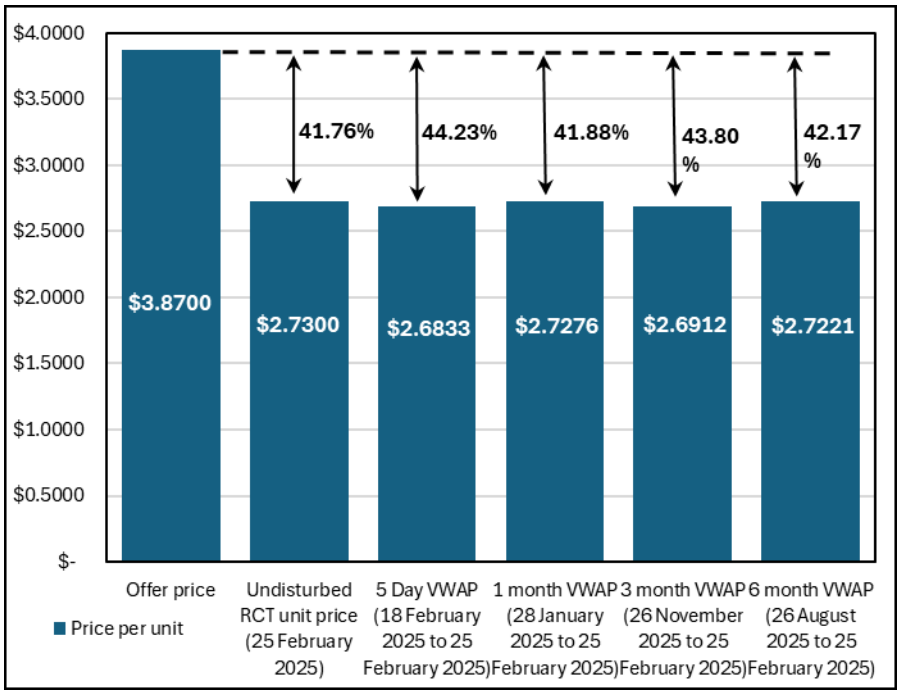
(c) The Offer price represents a significant premium to the undisturbed trading history of Units before the Announcement Date

The Offer price of $3.87 per Unit is materially above the trading price of Units on the ASX prior to the Announcement Date. The Offer Price is also at a significant premium to the undisturbed trading performance of RCT before the Announcement Date. As shown in Chart 1 below, the Offer price of $3.87 cash per Unit represents:

- a premium of 41.76% to the closing price of Units on 25 February 2025 of $2.73, being the last trading day that Units traded on the ASX prior to the announcement on 26 February 2025;
- a premium of 5.45% to the closing price of Units on 26 September 2025, being the last trading day before the date of this Target's Statement;
- a premium of 44.23% to the volume weighted average price of Units on ASX of $2.6833 over the 5 trading days to and including 25 February 2025;

- a premium of 41.88% to the 1 month volume weighted average price of Units to 25 February 2025 of $2.7276;
- a premium of 43.80% to the 3 month volume weighted average price of Units to 25 February 2025 of $2.6912; and
- a premium of 42.17% to the 6 month volume weighted average price of Units to 25 February 2025 of $2.7221.

Chart 1 Premium to the RCT pre-announcement Unit price



Source: Iress Limited ACN 060 313 359 (**IRESS**). IRESS has not consented to the use of any trading data in this Target's Statement.

(d) The Offer provides Unitholders with certainty of value and cash consideration

The Offer is to acquire all of your Units for cash. The Offer provides Unitholders with the opportunity to crystallise cash value and realise their investment upon successful completion of the Offer.

By accepting the Offer:

- you will receive $3.87 cash for each Unit in respect of which you accept the Offer (subject to the Offer becoming Unconditional);
- in the usual case, if you accept the Offer, you will be paid your consideration within one month after the later of the date:
  - you accept the Offer if the Offer is, at the time of acceptance, Unconditional; or
  - the Offer becomes or is declared Unconditional,

  but, in any event (assuming the Offer becomes or is declared Unconditional), no later than 21 days after the end of the Offer Period; and
- you may not incur any brokerage charges.

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The Offer provides you with the opportunity to receive a certain cash return relative to your Units. The Offer is not subject to any financing arrangements and should be contrasted with the risks and uncertainties of remaining a Unitholder. These risks include general economic conditions such as volatility in equity markets. The risks of remaining a Unitholder are discussed further in sections 4.2 to 4.4 and 4.8 to 4.11.

(e) There is limited liquidity in Units, which may inhibit your ability to sell your entire holding of Units now or in the future

Historically, RCT has been a relatively illiquid security with low volumes of Units being traded. The average daily trading volume for Units in the 12 months up to the Announcement Date was approximately 3,861, representing approximately 0.01% of securities on issue.

The limited trading liquidity can have a negative impact on the trading price of Units, making it difficult for Unitholders to sell Units on the market. There is no certainty as to the price at which you may be able to sell some or all of your Units, now or in future, if Iris' Offer does not proceed, particularly if you hold less than a marketable parcel of Units (under the ASX Listing Rules, a 'marketable parcel' means a parcel of Units worth not less than $500).

Iris' Offer represents a significant liquidity event, allowing you to realise your investment in RCT at a certain cash value immediately upon close of the Offer, in circumstances where you may (depending on the size of your holding of Units) presently have limited opportunities to sell your entire holding of Units, or may only do so at a discount to the prevailing Unit price.

(f) The Offer is supported by RCT's Major Unitholders, who collectively account for 71.96% of Units

RCT's Major Unitholders, who collectively have a Relevant Interest in more than 71% of the Units, have advised RCT of their support for the Offer. RCT's Major Unitholders have confirmed that they intend to accept the Offer in respect of all of the Units they hold or control at that time, 21 days from the Offer opening, in the absence of a Superior Proposal and subject to the Independent Expert continuing to give (and not revoking) the Reasonable Opinion.

The Major Unitholders have also confirmed that once they accept the Offer, they will not exercise any withdrawal rights that may arise if the Offer Period is extended because of the non-satisfaction of the gaming regulatory approval or minimum acceptance conditions, subject to there being no Superior Proposal and the Independent Expert continuing to give (and not revoking) the Reasonable Opinion at the time a withdrawal right is available. The Major Unitholders do not waive any other withdrawal rights that might arise in connection with the Offer.

(g) The price of Units may fall below current levels if the Offer does not proceed and a Superior Proposal does not emerge

The price of Units increased on the ASX following RCT's announcement on 26 February 2025 that it had received a non-binding indicative proposal from Iris for the purchase of all Units.

A significant period has elapsed since that time and other factors will have influenced the price of Units. However, it is possible that the price of Units may fall below current levels if the Offer does not proceed and no Superior Proposal emerges.

(h) No Superior Proposal has emerged as at the date of this Target's Statement

As at the date of this Target's Statement, no alternative proposals are currently under consideration by RCT and your Directors are not currently aware of any Superior Proposal that might be made.

However, there remains the possibility that a third party may make an alternative proposal prior to the close of the Offer which is a Superior Proposal.

As is usual for transactions of this nature, RCT agreed in the BIA to certain restrictions on RCT in relation to seeking out competing proposals from third parties and taking steps to facilitate such proposals. However, these restrictions do not prevent RCT from receiving and responding to a proposal that is considered by the Board, acting in good faith and after taking advice, to be a Superior Proposal (or which could be reasonably considered to become a Superior Proposal) and where failing to respond would be likely to constitute a breach of the Directors' fiduciary or statutory duties.

Iris has a right to be notified of the details of approaches to RCT that may lead to a competing proposal and a right to match any Superior Proposal, which must be exercised within a period of five Business Days from notification. If the Independent Directors decide that Iris' counter proposal would be as favourable (as a whole) to Unitholders, then RCT and Iris are required to use their best endeavours to enter into an amended BIA and propose the counter proposal to Unitholders.

If no counter proposal is received from Iris, or the Independent Directors determine that Iris' counter proposal is less favourable (as a whole) to the Unitholders, then the Superior Proposal may be recommended by the Independent Directors instead.

(i) You will not be required to pay brokerage fees if you accept the Offer and have an Issuer Sponsored Holding

If your Units are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Iris, you will not be required to pay brokerage fees if you accept Iris' Offer.

If your Units are registered in a CHESS Holding, or if you are a beneficial owner whose Units are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees.

Regardless of the type of holding that you have, it is possible that brokerage charges (and, potentially GST on those charges) would be incurred if you dispose of your Units other than under Iris' Offer.

2.2 Reasons why you may consider not accepting the Offer

Key reasons why you may consider not accepting the Offer are set out below:

(a) You may not agree with the recommendations of the Directors

You may disagree with the recommendation of the Directors to accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the Reasonable Opinion.

You may also disagree with the views of the Independent Expert who has concluded that the Offer is fair and reasonable to Unitholders, in the absence of superior proposal.

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(b) You may wish to remain a Unitholder

If you accept the Offer and the Offer becomes Unconditional you will no longer be entitled to participate in the future financial performance of RCT (or exercise the rights of being a Unitholder). This will mean that you will not participate in any potential upside as a result of the Offer, including any increase in the Unit price.

Iris has indicated in section 7.3 of its Bidder's Statement that if it acquires a Relevant Interest of 90% or more of all Units, and the Offer is declared or becomes Unconditional, it intends to compulsorily acquire any outstanding Units. As noted in section 2.1(f), subject to certain conditions, the Offer is supported by RCT's Major Unitholders who together hold 71.96% of the issued Units.

If your Units are compulsorily acquired by Iris, at the conclusion of the compulsory acquisition process, you will receive the same consideration as you would have received under the Offer. In these circumstances, you would have received the Offer consideration sooner if you had accepted the Offer before the End Date.

(c) You may consider there is the possibility of a Superior Proposal emerging

You may believe that a Superior Proposal for all Units could emerge in the future. Although it is possible that a Superior Proposal could emerge, the Directors consider that this is unlikely given the period of time that has now passed since the Offer was first announced as a potential offer on 26 February 2025 and RCSL in its capacity as responsible entity for RCT has not received any other unsolicited, conditional offer to acquire all of the issued units in RCT by way of off-market cash takeover bid since RCT's announcement on 21 August 2025. As of the date of this Target's Statement, there is no Superior Proposal that is available to be accepted by Unitholders.

As is usual for transactions of this nature, RCT agreed in the BIA to certain restrictions on RCT seeking out competing proposals from third parties and taking steps to facilitate such proposals. However, these restrictions do not prevent RCT from receiving and responding to a proposal that is considered by the Independent Directors, acting in good faith and after taking advice, to be a Superior Proposal or which could be reasonably considered to become a Superior Proposal and where failing to respond would be likely to constitute a breach of each Independent Director's fiduciary or statutory duties.

Iris has a right to be notified of the details of approaches to RCT that may lead to a competing proposal and a right to match any Superior Proposal, which must be exercised within a period of five Business Days from notification. If the Independent Directors decide that Iris' counter proposal would be as favourable (as a whole) to Unitholders, then RCT and Iris are required to use their best endeavours to enter into an amended BIA and RCT must use all reasonable endeavours to procure that each Independent Director recommends the counter proposal to Unitholders.

If no counter proposal is received from Iris, or the Independent Board Committee determines that Iris' counter proposal is less favourable to the Unitholders, then the Superior Proposal may be recommended by the Independent Board Committee instead.

(d) The tax consequences of accepting the Offer may not be favourable given your financial position

Acceptance of the Offer may result in tax consequences (potentially including capital gains tax (**CGT**) for Unitholders), which will arise earlier than may otherwise have been the case. A general overview of the Australian income tax considerations of disposing Units by way of accepting the offer are set out in the

taxation report provided by Ernst & Young which is included in Attachment 2 of this Target's Statement as referred to in section 9 of this Target's Statement. See also section 8 of the Bidder's Statement.

2.3 Other material considerations

(a) You will lose the flexibility to deal with your Units

Unitholders may wish to consider the timing of their acceptance of the Offer. The Offer can be accepted at any time up until the close of the Offer.

If you accept the Offer, then unless withdrawal rights are available (see below) and you exercise those rights, you will lose the ability to sell your Units on market or to any other person that may propose an alternative transaction, or deal with them in any manner.

(b) If a Superior Proposal is announced, Unitholders who accept the Offer may not be able to withdraw their acceptance of the Offer and accept a Superior Proposal

Unitholders who accept the Offer will only have limited rights to withdraw their acceptance of the Offer under the Corporations Act. A Unitholder will not be able to withdraw their acceptance of the Offer and accept a Superior Proposal (or sell their Units on market) unless:

- the Conditions to the Offer have not, at the End Date, been fulfilled or waived; or
- Iris varies the Offer in a way that postpones, for more than one month, the time when Iris needs to meet its obligations under the Offer. This will occur if Iris extends the Offer Period by more than one month and the Offer is still subject to conditions.

At the date of this Target's Statement, the Directors are not aware of any Superior Proposal.

2.4 Further developments

Should there be any further developments during the Offer Period (for example, the emergence of a Superior Proposal) which would alter the Directors' recommendations in relation to the Offer, Unitholders will be notified through a supplementary Target's Statement.

3 Directors' recommendation

3.1 Directors of Reef Corporate Services Limited

As at the date of this Target's Statement, the Directors of RCSL include Directors that represent RCT's Major Unitholders and who accordingly are considered Non-Independent. The table below lists the Directors of RCSL as at the date of this Target's Statement and their position and status.

Name	Position	Status
Ms Wendy Morris	Chair	Independent

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Name	Position	Status
Ms Abigail Cheadle	Director	Independent
Mr Allan Tan	Director	Non-Independent
Mr Philip Basha	Director	Non-Independent
Mr Fritz Pühringer	Director	Non-Independent
Mr Erwin Van Lambaart	Director	Non-Independent
Mr Adrian Williams	Director	Non-Independent

Mr Steven Lake is also an alternate director for Mr Philip Basha and Mr Adrian Williams (and therefore would be Non-Independent when acting as a director).

3.2 Directors' recommendations

After taking into account each of the matters in this Target's Statement (including the Independent Expert's Report) and in the Bidder's Statement, each of your Directors (Independent and Non-Independent) recommend that you accept the Offer (in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the Reasonable Opinion).

In considering whether to accept the Offer, your Directors encourage you to:

- read the whole of this Target's Statement (including the Independent Expert's Report) and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the alternatives noted in section 5 of this Target's Statement; and
- obtain financial advice from your broker or financial adviser upon the Offer and obtain taxation advice on the effect of accepting the Offer.

The reasons for your Directors' recommendation are set out in section 2.1 of this Target's Statement. The matters considered by your Directors in making their recommendation are as follows:

- the reasons Unitholders should accept the offer as set out in section 2.1;
- the potential disadvantages and risks of the Offer, including those set out in section 2.2 and section 2.3 of this Target's Statement; and
- the report of the Independent Expert, set out in Attachment 1.

The BIA restricts your Directors from withdrawing or changing their recommendation unless either:

- a Superior Proposal emerges; and

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  - that Superior Proposal was not procured or obtained by RCT through a breach of the BIA;
  - it is not matched by Iris in accordance with the BIA; and
  - the Board receives legal advice to the effect that the Directors' statutory duties require them to withdraw or change their recommendation; or
- the Independent Expert does not give the Reasonable Opinion; or
- the Regulatory Conditions have not been satisfied by the End Date, or a Regulatory Condition becomes incapable of satisfaction and either ASIC has consented to the withdrawal of the Offer or following notice from RCT, Iris has not notified RCT that Iris reasonably considers that the Regulatory Condition remains capable of satisfaction.

3.3 Intentions of your Directors in relation to the Offer

Each Director who has a Relevant Interest in Units has confirmed to RCT that they intend to accept the Offer in relation to those Units within a reasonable period after the Regulatory Conditions are satisfied or waived, in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the Reasonable Opinion.

Details of the Relevant Interests of each Director in Units are set out in section 8 of this Target's Statement.

4 Important matters for RCT Unitholders to consider

4.1 Profile of RCT

(a) Overview

RCT is a single purpose trust that was formed in Queensland on 2 July 1993 and is a registered managed investment scheme under the Corporations Act, its responsible entity being RCSL. RCSL holds an Australian Financial Services Licence.

Units in RCT have been listed on the ASX since 11 February 1994. The closing price of the Units as at 26 September 2025 (being the last trading day before the date of this Target's Statement) was $3.67 giving a market capitalisation of approximately $182.77 million.

(b) RCT's main assets

RCT's main asset is The Reef Hotel Casino Complex in Cairns, Far North Queensland (the **Complex**) and comprises:

- the Reef Casino;
- the Pullman Reef Hotel Casino, a 5 star 128 room hotel; and
- other facilities including bars, restaurants, conference facilities and car parking.

As at 31 December 2023, the Complex was valued at $161.0 million.

On 9 December 1993, the State of Queensland, Perpetual Trustee Company Limited (then trustee of RCT) and RCSL (then the manager of RCT) entered into the Cairns Casino Agreement. This agreement foreshadowed the grant of a Casino Licence as required for the operation of the Reef Casino. The casino licence was granted on 24 January 1996 and has been in force since that date.

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The Cairns Casino Agreement also provided for the grant of a special lease over the site on which the Complex is located for a term of 75 years. The form of the special lease was included as the seventh schedule to the agreement. RCT paid $53 million as a lump sum prepayment for the term of the special lease.

At 31 December 2024, the remaining term of the site lease was 44 years. Negotiations for a further lease can take place during the last 10 years. The special lease cannot be assigned or sublet without the consent of the Minister.

The Complex is leased to the Operator under casino, hotel and ancillary facilities lease agreements, the terms of which expire on 26 October 2029. These agreements will automatically extend from year to year until 16 June 2054, subject to certain ownership conditions being met. These conditions broadly require that Casinos Austria AG and its affiliates continue to hold an interest in RCT of not less than 50%. If that condition is:

- not satisfied, the lease will be offered by competitive tender within five years after Casinos Austria AG's interest falls below 50%; and
- satisfied and remains satisfied at all times from 26 October 1999 and until the date that is 15 years before the expiration of the special lease (which expires on 16 December 2068), the Operator may enter into a new lease on the same terms as the current leases for the balance of the term of the special lease (less one day).

The Casino Licence will otherwise continue until the expiry of the special lease unless surrendered, cancelled or suspended. In RCT's accounts the Casino Licence has an amortised cost of nil.

The main source of income for RCT is the rental income paid by the Operator. The base rental component is indexed on a yearly basis and recognised on a straight-line basis over the lease term. The contingent rental component is based on the performance of the Operator and is recognised when contractually due.

(c) Related parties

CAIL and Accor jointly own both the Operator and RCSL in equal proportions.

Reef Casino Investments Pty Ltd (jointly owned by CAIL and Accor in equal proportions) directly owns 50.2% of the Units of RCT.

Casinos Austria International Holding GmbH (a 100% holding company of CAIL) (**CAIH**) is incorporated in Austria and beneficially owns 11.37% of the Units of RCT.

CAIL directly owns 5.53% of the Units in RCT and Accor directly owns 4.86% of the Units in RCT. Of these holdings, each of Accor and CAIL owns 370,000 Founder Units which are not listed and which are subject to restrictions on disposal.

(d) Information about regulation of casinos in Queensland

Casinos in Queensland are heavily regulated. The Government regulation includes the following:

- the *Casino Control Act 1982* (Qld) (**Casino Control Act**), which is the principal governing statute in Queensland;
- the *Casino Control Regulation 1999* (Qld), which supplements the Casino Control Act;
- the *Casino Gaming Rule* (Qld), which provides the rules for conducting and playing games in casinos; and

- the *Liquor Act 1992* (Qld), which regulates the liquor industry in Queensland and provides for the grant of related licences.

A casino cannot be operated in Queensland without a casino licence. The Governor in Council is entitled to grant a casino licence pursuant to the Casino Control Act, subject to the Governor in Council first approving an agreement in writing between the Minister for and on behalf of the State and the casino licensee or other persons whom the Governor in Council considers to be the appropriate person to be a party to the agreement. The agreement does not have any force or effect until it is ratified by Parliament. In the case of RCT, this is the Cairns Casino Agreement.

Before an agreement is signed, a proposed casino licensee and any persons associated or connected with the ownership, administration or management of the operations or business of the casino licensee are required to satisfy the probity process and demonstrate that they are a suitable person to be associated or connected with the management and operations of a casino. The Minister may also cause investigations to be undertaken at any time while the Cairns Casino Agreement is in force in order to satisfy the Governor in Council or Minister of such suitability matters (such investigations in relation to Iris and persons connected to Iris being contemplated by the Offer). The probity process can be lengthy.

In making its assessment of suitability, the Minister or the Governor in Council has regard to, among others, the following matters:

- good reputation, having regard to character, honest and integrity;
- financial stability and viability;
- sufficient experience and commercial acumen to manage and operate a hotel-casino;
- whether there are any business associations with persons not of good repute; and
- if associates of a casino licensee are determined to be suitable (such as directors, a trustee, executive officers and the secretary).

A casino licence may only be granted to a person if the person is the owner of the freehold, or the lessee from the State, of the land used for the particular casino.

Where a casino licensee enters into a management agreement with a separate entity to act as the operator of the casino, the operator will be required to satisfy the probity process before being able to act as operator.

(e) Other information about RCT

RCT is a ‘disclosing entity’ under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. RCT is obliged to notify the ASX of any information about specific matters and events, in particular, those matters which a reasonable person would expect to have a material effect on the price or value of Units.

Unitholders seeking further information on RCT are directed to the list of publicly available announcements on the ASX (www.asx.com.au, code ‘RCT’) or on RCT’s website (www.reefcasino.com.au/trust).

4.2 Risk factors

In considering this Target’s Statement, Unitholders should be aware that there are a number of risks, both general and specific, which may affect the future operating and financial performance of RCT and the RCT Unit price. Many of these are relevant to

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Unitholders as at the date of this Target's Statement, and will remain relevant to those who remain as Unitholders and elect not to accept the Offer.

Whilst some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, some are outside the control of RCT and cannot be mitigated. The principal risks include, but are not limited to, those detailed in sections 4.3 (risks relating to RCT, the Complex and the industry) and 4.4 (general and economic risks) below. The information and risks set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect RCT.

Unitholders should read this Target's Statement in its entirety and carefully consider the risk factors in sections 4.3 (risks relating to RCT, the Complex and the industry) and 4.4 (general and economic risks) as well as sections 4.8 to 4.11, in deciding whether to accept the Offer.

4.3 Risk factors relating to RCT, the Complex and the industry

(a) Exposure to gaming and tourism markets

RCT and the Complex are exposed to the gaming and tourism markets and any uncertainty in relation to the economic conditions and future outlook for those industries.

If economic and industry conditions deteriorate, including casino patronage, hotel occupancy rates and industry pricing, RCT's financial performance may be adversely affected due to reduced rental income received from the Operator.

(b) Regulatory risks

RCT operates in a highly regulated industry and is required to hold (or RCSL or the Operator respectively are required to hold) certain licences and authorisations. RCT is therefore subject to the risk that any such material licence or authorisation is cancelled, suspended, restricted or not renewed, which will adversely affect RCT's ability to conduct its business (including via RCSL and the Operator).

Changes to licensing legislation or failure to strictly adhere to prescribed practices may adversely affect RCT's operations or expose RCT to penalties under relevant legislation. The consequences of such events could be material for RCT, including reduced rental revenues received from the Operator, increased expenses, the payment of monetary penalties, loss of stakeholder trust and potentially the loss of elements of RCT's business.

In particular, RCT operates in an industry that may involve a high degree of risk with respect to money-laundering. As a provider of 'designated services' under the AML/CTF Act, the Operator is a 'reporting entity' for the purposes of the AML/CTF Act and is therefore subject to certain obligations under the AML/CTF Act and associated AML/CTF Rules. Failure by the Operator to comply with these obligations could expose the Operator to significant civil and criminal penalties or other regulatory actions, which could impact the financial performance of RCT due to reduced rental income received by RCT from the Operator.

Changes to regulation applicable to RCT and the Operator may also increase ongoing compliance and reporting costs, or fees and levies, and correspondingly affect RCT's financial performance. Legislative changes that impact Queensland casinos have been proposed but these amendments are not finalised and have not come into effect. Legislative and regulatory changes are outside of the control of RCT.

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(c) Responsible service of gaming

RCT recognises that, as social expectations and community standards evolve over time to require increased harm minimisation responsibility to be exercised by the operators of gaming services, the Operator may be required to incur additional costs to enhance and improve its approach to the management of gaming-related harm. As additional initiatives are identified, tested and implemented, the Operator may be required to adopt new measures to respond to identified issues (and incur costs in adopting those measures). This will indirectly impact on the financial position of RCT.

(d) Competition

Increased competition in the Queensland casino market, which may arise if further casino licences are made available by the Queensland Government, could result in, amongst other things, pressure on industry rates and reduced patronage.

The impacts of online casino gambling, which is currently illegal to provide in Australia but not illegal to play, may also impact casino revenues. In addition, casino operators are subject to different regulatory requirements than other forms of pubs and clubs. The impact of online casino gambling and/or additional regulatory burden and costs may disproportionately affect casino operators in comparison to other gambling operators, in turn, adversely affecting the financial and operational performance of RCT due to reduced rental income derived from the Operator.

(e) Reliance on key personnel

The continued success of RCT and the Reef Hotel Casino Complex depends on key personnel. Whilst efforts are made to retain key personnel, and to recruit new personnel as the need arises, the loss of a number of key personnel could have an unfavourable impact on RCT's operational and financial performance.

(f) Reputational risk

RCT has invested in its brand. Damage to RCT's reputation or brand (including as the result of regulatory enquiries or investigations) may have an impact on the future performance of RCT and the price of Units.

(g) Capital expenditure

The Complex requires ongoing capital expenditure to ensure its value is enduring and it remains a desirable and safe venue to visit and work. RCT may be adversely affected if, due to unforeseen circumstance or as a result of the general age of the Complex (e.g. changes in regulations and unforeseen property defects or damage), RCT may have to make additional capital expenditure on the Complex, which has not been taken into account in RCT's best estimates or internal forecasts, or otherwise covered by RCT's insurance policy. RCT may also be adversely impacted if there are significant increases in the cost of materials or labour.

RCT may also incur significant capital expenditure costs in the adoption and implementation of new systems required by RCT's regulatory and compliance obligations. As part of its ongoing capital expenditure program, RCT is renovating one of its kitchen facilities and if these works were delayed or otherwise not completed to the requisite standard, this could also have a flow on impact to the terms or status of the Operator's food licence in so far as it relates to that kitchen facility.

(h) Transaction costs

The transactions contemplated by this Target's Statement involve costs payable by RCT, such as the fees of professional advisers (including legal, tax and

financial advisers), the Independent Expert and registry costs (which in turn may reduce distributable income of RCT).

Certain fees payable to professional advisers may include contingent success fees. There is no guarantee that any such success fee may be payable or the quantum of any such success fee. However, RCT Unitholders should be aware that, if the Offer is successful, success fees may be payable. On the basis of the Offer Price, and as at the date of this Target's Statement, the Directors' best estimate of success fees that may become payable is $2.8 million.

(i) Technology, data and cyber risks

RCT and the Operator possess confidential customer and commercially sensitive data. When in possession of confidential customer and commercially sensitive data, there is a risk of a leak or unauthorised use. From time to time, RCT and the Operator may be subject to unprovoked cyber-attacks that could cause unauthorised use of confidential customer and commercially sensitive data. If an unprovoked cyber-attack were to occur, unforeseen costs may be incurred in order to address the unprovoked cyber-attack (e.g. costs associated with protecting customer and commercially sensitive date (i.e. legal costs) and any costs arising from the imposition of a fines or penalty by a regulator)

RCT and the Operator must also continually ensure their technology systems are compliant with any newly introduced or amended regulations. Maintaining secure and compliant technology systems may increase RCT's future capital expenditure requirements.

(j) Revenue volatility risks

The Operator's gaming operations may experience short term variations from theoretical win rates due to the element of chance in gaming activities, including in a lower volume gaming environment. Sustained unfavourable variations in the actual win rate compared to the theoretical win rate would likely have an adverse impact on the Operator, in turn reducing rental revenue paid to RCT. RCT's rental revenue could also be impacted by other extraordinary events that impact the Operator, including claims made against the Operator by patrons, employees or other third parties in relation to operational matters relating to the Complex, if such claims are ultimately successful and not covered by insurances held by the Operator.

(k) Future distributions risks

No assurances can be given in relation to the payment of future distributions. The payment of future distributions will be at the discretion of the Board at the time having regard to a range of factors including the Board's assessment of RCT's financial position, the availability of profits, the availability of cash surplus with reference to net tangible assets, future capital requirements, covenants and other arrangements with RCT's lenders, general business and financial conditions and other factors considered relevant by the directors at the time.

(l) Financing risks

RCT is exposed to risks relating to the cost and availability of funds to support its operations, including the ongoing provision of debt financing as required. From time to time, RCT will be required to refinance its debt facilities. There is no certainty as to the availability of debt facilities or the terms in which such facilities may be provided to RCT in the future. RCT's ability to refinance its debt on acceptable terms as it becomes due or to repay the debt and its ability to raise further finance on favourable terms for any need that may arise, will depend on market conditions and RCT's future operating performance. In particular, RCT may incur higher financing costs associated with future debt refinancing, especially considering the increased focus on environmental, social and governance considerations by lenders.

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If RCT is unable to refinance its debt obligations, or do so on reasonable terms, this may have an adverse effect on the financial position of RCT and its ability to meet its financial obligations.

As part of its arrangements with its external financiers, RCT is subject to a number of conditions and financial covenants. There is a risk that RCT may breach its financial covenants in the future. A failure to comply with these conditions and financial covenants may require RCT to repay borrowings earlier than anticipated, and in some cases may result in increased financing costs for RCT.

(m) Change of control

The Offer and the Share Purchase Agreements, if completed in accordance with their terms, will result in the change in control of RCT, RCSL and the Operator. Contracts to which RCSL (including in respect of its capacity as responsible entity of RCT) and the Operator in relation to the management and operation of the casino may provide counterparties to those contracts with the right to terminate the contracts upon the change of control of any of RCT, RCSL or the Operator (as applicable to that contract). In addition to specific approvals that are required in order for the Offer to become Unconditional, RCT intends to identify any material contract requiring consent (and take reasonable steps to obtain any required consent from the relevant counterparty). However, to the extent that consent could not be obtained, the termination of any such contract that is material to the operation of the casino may adversely impact RCT's ability to conduct its business and accordingly affect the value of RCT.

4.4 General and economic risk factors

(a) Economic risks

General economic conditions, movements in interest, inflation and currency exchange rates may have an unfavourable impact on RCT's operations and its ability to fund its operations. Global geopolitical uncertainty may impact on RCT's business and local and global capital markets.

RCT's business is also located in far north Queensland and, as a regional business, is more dependent on a smaller local market and the availability and affordability of travel to the region. Economic downturns may correspondingly have a disproportionate effect on RCT.

(b) Equity market fluctuations

Equity market conditions may affect the value of Units regardless of RCT's performance. The market price of Units can fall and rise and be subject to varied and unpredictable influences on the market for equities in general. Neither RCT nor the Directors warrant the future performance of Units or any return on an investment in RCT.

(c) Environmental risks

Being located in a tropical region, RCT is exposed to the risk of severe weather events (such as cyclones) and climate-related risks. To the extent that climate change increases the frequency, volatility or extremity of weather events, this may have an adverse effect on RCT's operations (and in turn, rental revenue paid to RCT).

(d) Taxation risks

RCT is required to calculate and pay certain taxes and other payments to Government Agencies in Queensland (as well as taxes and payments arising under federal taxation law). From time to time, a Government Agency may allege, and it may be found, that RCT has not correctly calculated or paid the

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applicable taxes and payments owed, which may result in it having to make additional payments in respect of these taxes and payments. Further, RCT may from time to time seek rulings or other guidance or agreement in respect of such taxes payable, which Government Agencies may or may not agree to.

(e) Capital raising

If RCT is required to raise capital in the future by issuing additional equity, it may be unable to do so (or to do so at a reasonable price). Restrictions on the ownership of equity under applicable legislation, the Trust Deed and the Casino Agreements may also reduce RCT's ability to raise capital expediently and cost-effectively.

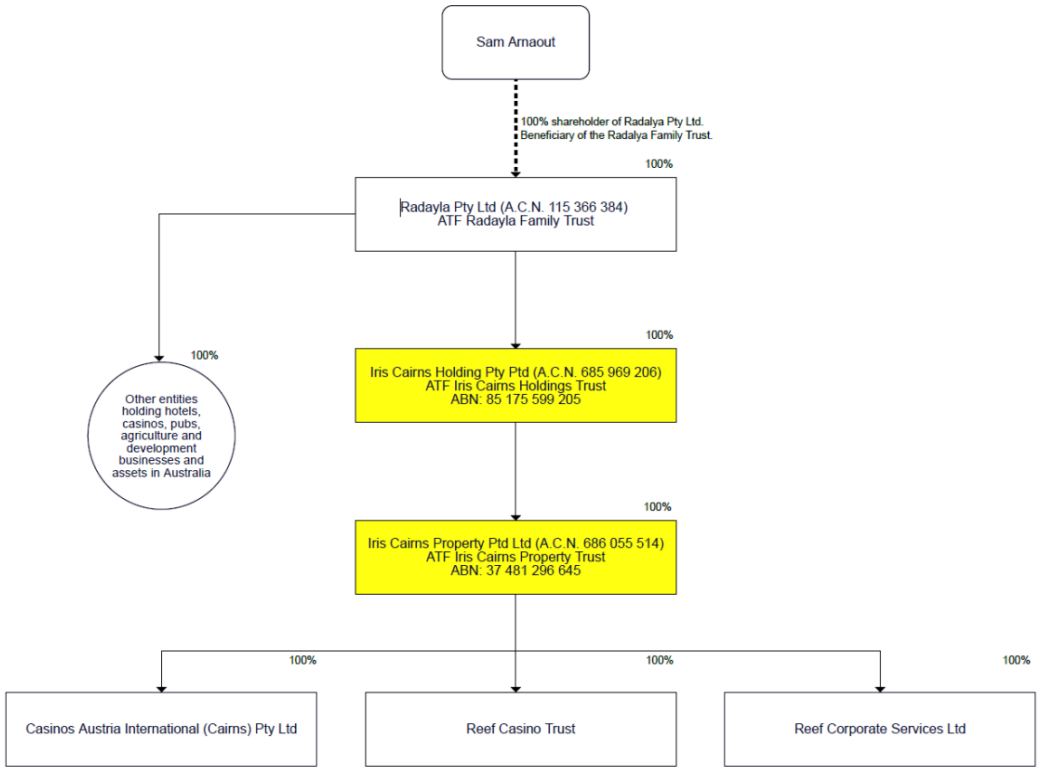
Future capital raisings conducted by RCT (if any) may also dilute the proportional interests of existing Unitholders, unless those Unitholders also participate in that capital raising. There is no guarantee that any capital raising conducted by RCT would afford existing Unitholders the opportunity to participate, nor on what terms.

4.5 Profile of Iris

Iris is a member of the Iris Group (trading under the business name 'Iris Capital'), an Australian development and hospitality group which began to acquire hospitality industry assets in 1995. Iris Group owns and operates various Australian property developments and owns and operates a range of hospitality venues including hotels, pubs and casinos. By 2006, Iris Group had acquired 13 hotels. The Iris Group's property portfolio includes over 5,000 luxury apartments, three operational vineyards, 57 venues/hotels and two casinos, being the Casino Canberra (located in the Canberra central business district) and Lasseters casino (located in Alice Springs).

The diagram below sets out the Iris Group group structure (so far as it relates to the Offer) as it will be following successful completion of the Offer (assuming Iris acquires 100% of RCT) and the acquisition of RCSL and the Operator. The Iris Cairns Holding Trust and the Iris Cairns Property Trust are special purpose trusts established for the purposes of the Offer. All of the interests in these trusts are directly or indirectly owned by the Radayla Pty Ltd as trustee for the Radayla Family Trust, which is the trust which directly or indirectly owns or controls the Iris Group.

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As at the date of the Target's Statement, the sole director of Iris and Radayla Pty Ltd is Sam Arnaout. Sam Arnaout is the Chief Executive Officer of Iris and is responsible for determining strategic direction and overseeing the Iris Group's operations. Mr Arnaout has over 20 years' experience in hospitality business management and additional experience in retail and residential property development.

4.6 Value of Iris' Offer

Iris' Offer represents a significant premium to the undisturbed trading price of Units before the Announcement Date.

The volume weighted average price of a Unit in the month before the Announcement Date (28 January 2025 to 25 February 2025 inclusive) was $2.7276. The Offer Price of $3.87 represents a 41.88% premium to the volume weighted average Unit price of $2.7276 in this period.

The average volume of Units traded over the past 12 months (26 September 2024 to 26 September 2025 inclusive) was 6,751 Units per day.

In the month before the Announcement Date (28 January 2025 to 25 February 2025) the average volume of Units traded per day was 6,235 Units.

In the period since the Announcement Date (26 February 2025 to 26 September 2025 inclusive) the average volume of Units traded per day was 8,475.

4.7 Independent Expert's Report

This Target's Statement includes, in Attachment 1, a copy of a report by Lonergan Edwards & Associates Limited (**Independent Expert**) (an independent expert not associated with either RCT, the Major Unitholders or Iris) stating whether, in its opinion, the Offer is fair and reasonable and giving reasons for forming that opinion.

Your Independent Directors recommend that you read the report in full.

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By way of summary, the Independent Expert has concluded that the Offer is fair and reasonable, in the absence of a superior proposal.

The Independent Directors also requested the Independent Expert assess the sale of RCSL and the Operator to determine whether the Major Unitholders as a result of Iris acquiring the Operator and RCSL would receive a collateral benefit (including for this purpose, whether net benefits will be received).

The Independent Expert concluded that:

- given the relativities in the consideration under the Offer and the acquisition of RCSL and the Operator, and the significant premium available under the Offer, it is unlikely, in its view, that either of the Major Unitholders would require the provision of any collateral / net benefit to secure their acceptance of the Offer;
- the acquisition of RCSL and the Operator pursuant to the relevant Share Purchase Agreements do not provide any collateral / net benefit to CAIL and/or Accor; and
- nothing has come to the Independent Expert's attention in respect of the acquisition of RCSL and the Operator that would cause the Independent Expert to change the conclusions reached in relation to the Offer.

4.8 Minority ownership consequences

Iris' Offer is presently subject to an 80% minimum acceptance Condition. Iris has the right to free its Offer from the 80% minimum acceptance Condition, and Iris has indicated in section 7.5 of the Bidder's Statement that it intends to waive the 80% minimum acceptance Condition if:

- Iris has received acceptances of the Offer in respect of 75% of all Units and has a Relevant Interest in at least 75% (by number) of all Units;
- there is no Competing Transaction;
- no other Conditions have been breached or become (either immediately or at some future point in time) incapable of satisfaction;
- Accor and CAIL:
  - in aggregate have a Relevant Interest in at least 71.96% of the Units;
  - have each accepted the Offer and not exercised any withdrawal right following acceptance of the Offer;
  - have each confirmed in writing that they will not exercise any withdrawal rights that they may have in respect of their acceptances of the Offer before Iris has obtained all necessary Regulatory Approvals in connection with the Offer; and
- each Independent Director has publicly announced that once the Offer is unconditional, they will unconditionally recommend that Unitholders accept the Offer.

There is presently no certainty whether (or when) such conditions will be achieved, and each Independent Director will need to consider whether to provide such recommendation at the time.

The 80% minimum acceptance Condition means that Iris may proceed with the Offer without reaching the threshold for compulsory acquisition, which is 90% (and, in any event, Iris retains the discretion to waive the minimum acceptance condition).

If Iris either satisfies or frees the Offer from the 80% minimum acceptance Condition and acquires more than 50% but less than 90% of the Units then, assuming all other Conditions to the Offer are fulfilled or freed, Iris will acquire a majority unitholding in RCT.

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If this occurs, Unitholders who do not accept the Offer would become minority Unitholders in RCT. This has a number of possible implications, including:

- Iris will control the Responsible Entity and the Operator (assuming that completion occurs under the Share Purchase Agreements);
- Iris will be in a position to cast the majority of votes at a general meeting of RCT;
- the Unit price may fall immediately following the end of the Offer Period and it is unlikely that RCT's Unit price will contain any takeover premium;
- liquidity of Units may be lower than at present, and there may be a lack of free float and/or liquidity; and
- Iris has indicated in the Bidder's Statement that it will, together with the Board, consider if it is appropriate for RCT to remain on the official list of the ASX and may seek de-listing. If RCT is de-listed, Units will not be able to be bought or sold on the ASX and it may be challenging to sell your Units.

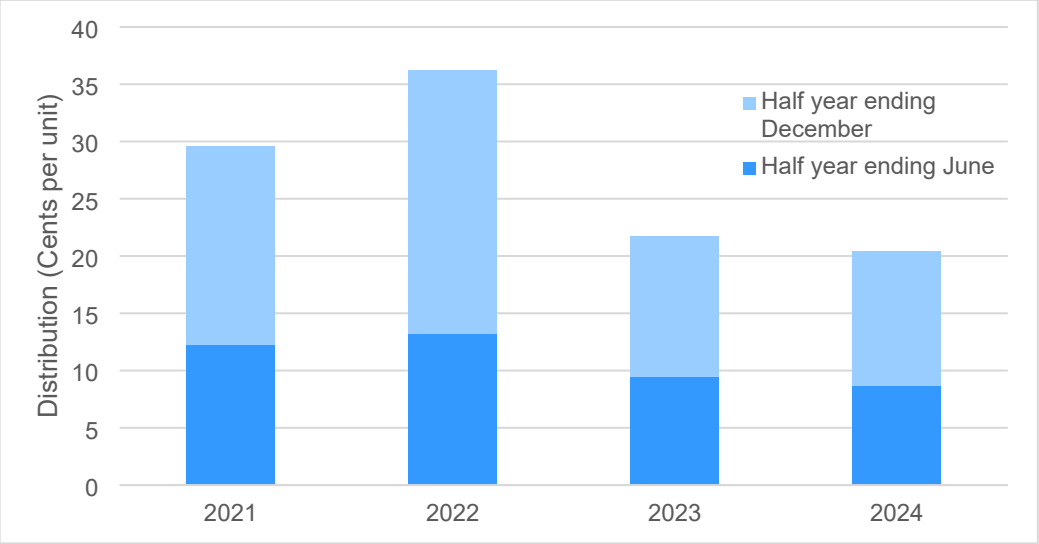
4.9 Distribution issues for Unitholders

Unitholders have received a Unit distribution each half year since the half year ending 30 June 2000 (except in respect of the half-year ending on 30 June 2020 due to the impacts of the COVID-19 pandemic). Chart 2 below sets out the distributions paid to Unitholders over the last four years.

The BIA permits RCT to make distributions in the ordinary course of business during the Offer Period in accordance with its past practice of declaring 100% of distributable income to Unitholders with a record date in June and December in each calendar year. It is not anticipated that the BIA or the Offer will impact Unitholders' rights to receive a distribution that is paid before the Offer becomes unconditional, provided that a Unitholder holds Units as at the relevant record date.

Your Directors will continue to update Unitholders on all material developments as they occur in respect of the Offer.

Chart 2 Distributions paid to Unitholders since 2021



Source: RCT Annual Report 2021, 2022, 2023 and 2024.

4.10 Other alternatives to the Offer

Since the Announcement Date no Superior Proposal has emerged. However, there remains the possibility that a third party may make an alternative proposal prior to the close of the Offer which is a Superior Proposal.

As is usual for transactions of this nature, RCT agreed in the BIA to certain restrictions on RCT from seeking out competing proposals from third parties and taking steps to facilitate such proposals. However, these restrictions do not prevent RCT from receiving and responding to a proposal that is considered by the Board, acting in good faith and after taking advice, to be a Superior Proposal or which could be reasonably considered to become a Superior Proposal and where failing to respond would be likely to constitute a breach of the Directors' fiduciary or statutory duties.

Iris has a right to be notified of the details of approaches to RCT that may lead to a competing proposal and a right to match any Superior Proposal, which must be exercised within a period of five Business Days from notification. If the Independent Directors decide that Iris' counter proposal would be as favourable (as a whole) to Unitholders, then RCT and Iris are required to use reasonable endeavours to enter into an amended BIA and propose the counter proposal to Unitholders (subject to there being no Superior Proposal and the Independent Expert continuing to give the Reasonable Opinion).

If no counter proposal is received from Iris, or the Board determines that Iris' counter proposal is less favourable to the Unitholders, then the Superior Proposal may be recommended by the Board instead.

4.11 Unit price absent the Offer

While there are many factors that influence the market price of RCT's Units, your Directors anticipate that, following the close of the Offer, the market price of RCT's Units may fall if Iris' Offer fails, if Iris acquires more than 50% (but less than 90%) of the Units or if the takeover is otherwise unsuccessful.

4.12 Tax consequences

The tax consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. A general overview of the Australian income tax considerations of disposing of Units by way of accepting the Offer are set out in the taxation report provided by Ernst & Young which is included in Attachment 2 of this Target's Statement as referred to in section 9 of this Target's Statement. See also section 8 of the Bidder's Statement.

You should carefully read and consider the tax consequences of disposing of your Units by way of accepting the Offer. The overview provided in this Target's Statement and the Bidder's Statement is of a general nature only and you should seek your own independent professional advice as to the tax implications applicable to your circumstances.

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5 Your choices as a Unitholder

Your Directors recommend that you accept the Offer (in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the Reasonable Opinion).

However, as a Unitholder you have three choices currently available to you:

(a) Accept the Offer

Unitholders may elect to accept the Offer. Details of the consideration that will be received by Unitholders who accept the Offer are set out in section 6.1 of this Target's Statement and in the Bidder's Statement.

Unitholders who accept the Offer may be liable for CGT on the disposal of their Units (refer to the taxation report provided by Ernst & Young which is included in Attachment 2 of this Target's Statement as referred to in section 9 of this Target's Statement). However, they will generally not incur any brokerage charge.

The Bidder's Statement contains details of how to accept the Offer in section 10.3.

(b) Sell your Units on market

During a takeover, unitholders of a target entity who have not already accepted the Offer can still sell their units on market for cash.

On 25 February 2025, the Unit price closed at $2.73. Iris' Offer Price of $3.87 per Unit represents a 41.76% premium on that value. The latest price for Units may be obtained from the ASX website at www.asx.com.au.

Unitholders who sell their Units on market may be liable for CGT on the sale and may incur a brokerage charge.

Unitholders who wish to sell their Units on market should contact their broker for information on how to effect that sale.

(c) Do not accept the Offer or sell their Units on market

Unitholders who do not wish to accept the Offer or sell their Units on market should do nothing.

Unitholders should note that if Iris and its Associates have a Relevant Interest in at least 90% of the Units during or at the end of the Offer Period, Iris will be entitled to compulsorily acquire the Units that it does not already own (see section 6.12 of this Target's Statement for further details).

6 Key features of Iris' Offer

6.1 Consideration payable to Unitholders who accept the Offer

The consideration being offered by Iris is $3.87 for each Unit.

6.2 Conditions to the Offer

Iris' Offer is subject to a number of conditions (**Conditions**). Those Conditions are set out in full in section 10.7 of the Bidder's Statement and a copy of the Conditions is included for your reference in Attachment 3 to this Target's Statement.

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By way of broad overview, the Conditions to the Offer are:

(a) 80% minimum acceptance;

(b) no other outstanding securities, or offers of securities on issue;

(c) casino and liquor licensing approvals, including Ministerial approval required under clause 30 of the Trust Deed;

(d) all approvals and consents required under the Foundation Agreement being obtained;

(e) no Prescribed Occurrences;

(f) no Regulated Events;

(g) no incurring of significant liabilities by RCT (other than in the ordinary course of business) or material change to its financing arrangements, except with Iris' consent or as contemplated by the BIA;

(h) no regulatory action which would prohibit the Offer from proceeding;

(i) no acquisition or disposal of material assets and no material capital expenditure, except with Iris' consent or as contemplated by the BIA;

(j) no Material Adverse Change occurs;

(k) the Share Purchase Agreements become unconditional (other than for any condition relating to this Offer becoming unconditional);

(l) no distributions outside of distributions on the Units in accordance with RCT's distribution policy in effect on 11 July 2025;

(m) no persons entitled to exercise rights under material agreements;

(n) no material litigation against RCSL; and

(o) the BIA not being terminated by either party.

As at the date of this Target's Statement, RCT is not aware of any act, omission, event or fact that would result in any of the Conditions to the Offer being incapable of being satisfied.

You should note that the Regulatory Conditions (Conditions (c) and (d) described above) depend on the positive outcome of the regulatory and probity process that is largely outside the control of RCT and Iris. RCT is not in a position to state whether these particular Conditions, or any of the other Conditions, will be satisfied by the end of the Offer Period.

In this regard, your Directors note that in section 9.1 of the Bidder's Statement, Iris indicates its expectation that the Regulatory Approvals required may not be available until at least December 2025.

6.3 Notice of status of Conditions

Section 10.10 of the Bidder's Statement indicates that Iris will give a Notice of Status of Conditions to the ASX and RCT required by section 630(1) of the Corporations Act on 5 March 2026 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

Iris is required to set out in its Notice of Status of Conditions:

- whether the Offer is free of any or all of the Conditions;
- whether, so far as Iris knows, any of the Conditions have been fulfilled; and
- Iris' Voting Power in RCT.

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If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Iris is required, as soon as practicable after the extension, to give a notice to the ASX and RCT that states the new date for the giving of the Notice of Status of Conditions.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Iris must, as soon as practicable, give the ASX and RCT a notice that states that the particular Condition has been fulfilled.

6.4 Offer Period

Unless Iris' Offer is extended or withdrawn, it is open for acceptance from 12 September 2025 until 7.00pm (Sydney time) on 13 March 2026.

The circumstances in which Iris may extend or withdraw its Offer are set out in section 6.5 and section 6.6 respectively of this Target's Statement.

6.5 Extension of the Offer Period

Iris may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 10.10 of the Bidder's Statement) while the Offer is subject to Conditions. However, if the Offer is Unconditional (that is, all the Conditions are fulfilled or freed), Iris may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period:

- Iris improves the consideration offered under the Offer; or
- Iris' Voting Power in RCT increases to more than 50%.

If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

6.6 Withdrawal of Offer

Iris may not withdraw the Offer if you have already accepted it (although the Conditions of the Offer may not be satisfied and it may lapse if those Conditions are not waived). Iris may withdraw the Offer before you accept the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

6.7 Effect of acceptance

The effect of acceptance of the Offer is set out in section 10.5 of the Bidder's Statement. Unitholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the Rights attaching to their Units and the representations and warranties which they give by accepting the Offer.

6.8 Your ability to withdraw your acceptance

You only have limited rights to withdraw your acceptance of the Offer. Once you have accepted the Offer, you may only withdraw your acceptance of the Offer if:

- by the End Date, the Conditions to the Offer have not been fulfilled or waived; or

- while the Offer is subject to a Condition, Iris varies the Offer in a way that postpones, for more than one month, the time when Iris needs to meet its obligations under the Offer.

6.9 When you will receive your consideration if you accept the Offer

In the usual case, you will be issued your consideration on or before the later of:

- one month after the date the Offer becomes or is declared Unconditional; and
- one month after the date you accept the Offer if the Offer is, at the time of acceptance, Unconditional,

but, in any event (assuming the Offer becomes or is declared Unconditional), no later than 21 days after the end of the Offer Period.

6.10 Effect of an improvement in consideration on Unitholders who have already accepted the Offer

If Iris improves the consideration offered under its Takeover Bid, all Unitholders, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

6.11 Lapse of Offer

The Offer will lapse if the Conditions are not freed or fulfilled by the end of the Offer Period. In this case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Units as you see fit.

6.12 Compulsory acquisition

Iris has indicated in section 7.3 of its Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Units.

Iris will be entitled to compulsorily acquire any Units in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period, Iris and its Associates have a Relevant Interest in at least 90% (by number) of the Units.

If this threshold is met, Iris will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Unitholders who have not accepted the Offer. Unitholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Unitholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Units. If compulsory acquisition occurs, Unitholders who have their Units compulsorily acquired are likely to be issued their consideration approximately 5 to 6 weeks after the compulsory acquisition notices are dispatched to them.

It is also possible that Iris will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Units. Iris would then have rights to compulsorily acquire Units not owned by it within 6 months of becoming the holder of 90%. Iris' price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

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7 Financial information and related matters

7.1 Most recent half-year report

RCT's last published audited half-year financial report for the period ending 30 June 2025 was lodged with the ASX on 21 August 2025. There have been no material changes to the financial position of RCT since this report was released to the ASX.

7.2 Most recent full-year report

RCT's last published audited annual financial statements are for the financial year ended 31 December 2024 and were lodged with ASX on 20 February 2025.

In the Chair's review in the preliminary final report (given to the ASX under listing rule 4.3A on 20 February 2025), it is disclosed that during 2024 RCT reported a distributable profit of $10.168 million, a 5.3% decrease on the previous financial year, due to rental and other revenue decline of 2.9%. The total Unit distribution declared for the financial year ended 31 December 2024 was 20.42 cents per Unit. The distributable earnings per Unit for the financial year ended 31 December 2024 were 20.42 cents. The actual distribution for the 2024 financial year is consistent with RCT's policy to pay out '100% of distributable profits'.

This report can be accessed on the ASX website at www.asx.com.au.

On 24 March 2025, RCT published its Annual Report for the year ended 31 December 2024 which also contains the audited financial statements and Chair's review referred to above. The Annual Report can be accessed on RCT's website at https://www.reefcasino.com.au/reef-casino-trust/#Annual-Reports or on the ASX website at www.asx.com.au.

7.3 Other matters

There has not been any matter or circumstance, other than those referred to in this Target's Statement that has significantly affected, or may significantly affect the operations or the financial position of RCT, the results of operations of RCT, or the state of affairs of RCT in future financial years.

Your Directors have also considered whether a reasonable basis exists to produce meaningful forecast information. Your Directors have concluded that given the uncertain nature of the casino industry as at the date of this Target's Statement, there is no reasonable basis to provide forecasts that would be sufficiently meaningful and reliable as required by applicable law and market practice.

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8 Information relating to your Directors

8.1 Interests and dealings in Units

(a) Interests in Units

As at the date of this Target's Statement, your Directors had the following Relevant Interests in Units and options:

Director	Number of Units held directly	Number of Units held indirectly
Ms Wendy Morris	-	-
Ms Abigail Cheadle	-	-
Mr Allan Tan	3,000	76,950
Mr Philip Basha	-	-
Mr Fritz Pühringer	-	-
Mr Erwin van Lambaart	-	-
Mr Adrian Williams	-	-
Total	3,000	76,950

Mr Steven Lake, an alternate Director, also does not hold any Units (directly or indirectly).

(b) Dealings in Units

No Director has acquired or disposed of a Relevant Interest in any Units in the 4-month period ending on the date immediately before the date of this Target's Statement.

8.2 Interests and dealings in Iris' securities

(a) Interests in Iris' securities

As at the date immediately before the date of this Target's Statement, no Director had a Relevant Interest in any Iris securities.

(b) Dealings in Iris' securities

No Director acquired or disposed of a Relevant Interest in any Iris securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

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8.3 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of RCSL or Related Body Corporates of RCSL.

(b) Agreements connected with or conditional on the Offer

There are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Units or options.

(c) Benefits from Iris

None of the Directors has agreed to receive, or is entitled to receive, any benefit from Iris which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Units or options.

(d) Interests of Directors in contracts with Iris

None of the Directors has any interest in any contract entered into by Iris, other than as a Unitholder or option holder in Iris.

9 Tax consequences

The tax consequences of disposing of Units by way of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. RCSL appointed Ernst & Young to prepare a taxation report in relation to the Australian income tax implications relating to disposing Units by way of accepting the Offer which is included in Attachment 2 (**Taxation Report**).

The information contained in the Taxation Report has been provided by Ernst & Young for the purposes of this Target's Statement and is based on the Australian income tax law as at the date of the Taxation Report, noting that:

- Australian income tax legislation may be amended at any time and therefore the tax consequences discussed in this section may alter if there is a change in the taxation law after the date of the Taxation Report.
- The tax consequences for a particular Unitholder may vary depending on the particular circumstances of each Unitholder. Accordingly, the information contained in the Taxation Report, being of a general nature only, does not constitute tax advice and cannot be relied upon as such. RCSL, RCT and Ernst & Young disclaim all liability to any Unitholder for all costs, loss, damage and liability that the Unitholder may suffer or incur arising from or relating to or in any way connected with the contents of the Taxation Report or the provision of the Taxation Report to the Unitholder or the reliance on the Taxation Report by the Unitholder.
- The overview contained in the Taxation Report is confined to Australian income tax considerations which are only one of the many matters that Unitholders need to consider when making a decision about their investments. Unitholders should consider obtaining advice from an adviser holding an Australian Financial Services Licence (**AFSL**) before making a decision about their investments. Under the Corporations Act, Ernst & Young are not required to hold an AFSL in order to provide the Taxation Report.

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You should carefully read and consider the tax consequences of disposing of your Units by way of accepting the Offer. Unitholders should seek appropriate independent professional advice that considers the tax implications in respect of their own specific circumstances, including foreign tax implications (as relevant).

See also section 8 of the Bidder's Statement.

10 Additional information

10.1 Effect of the takeover on RCT's material contracts

RCT has identified certain material contracts to which RCT is a party as containing change of control provisions which may be triggered by the other counterparty as a result of, or as a result of acceptances of, the Offer.

A brief summary of the relevant contracts is set out below:

(a) Bank of Queensland Loan

Under the terms of funding provided by Bank of Queensland Limited (**BOQ**) on a secured basis to RCSL an event of default will occur upon the change of legal or beneficial ownership or control of RCSL (in its capacity as responsible entity for the Trust) or the Trust or guarantor without prior consent. Mortgages entered into between RCSL (in its capacity as responsible entity of the Trust) and BOQ provide that an event of default will occur where effective control of RCSL is altered.

(b) Casino Agreements

The Casino Agreements include a number of approvals that are required in order for the Offer to become Unconditional (including for the Operator Share Purchase Agreement and Responsible Entity Share Purchase Agreement to become unconditional). It is the understanding of your Directors that Iris is in the process of seeking the necessary approvals as at the date of this Target's Statement.

(c) Operator leases

The leases entered into by RCSL, as responsible entity for RCT, and the Operator for the operation of the Complex require the Minister's consent to the proposed change of control of the Operator. These approvals are required in order for the Offer to become Unconditional. It is the understanding of your Directors that Iris is in the process of seeking the necessary approvals as at the date of this Target's Statement.

(d) Material supplier contracts

There are a number of operational contracts to which the Operator is a party (including the Franchise Agreement, UBET Agreement and Keno Agency Agreement) that, if terminated or varied materially may impact the results of the Operator and in turn impact the rent received by the Trust. It is RCT's assessment that the counterparties to these contracts are unlikely to terminate these contracts or to unilaterally seek to vary these contracts in a material manner.

Subject to the comments above, to the best of RCT's knowledge, none of the material contracts to which RCT is a party contain change of control provisions which may be triggered as a result of, or as a result of acceptances of, the Offer or which may have a material adverse effect on the assets and liabilities, financial position and performance,

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profits and losses and prospects of RCT so as to cause a Condition of the Offer to be incapable of being satisfied.

10.2 Takeover Bid Implementation Agreement

On 11 July 2025, RCT entered into the Takeover Bid Implementation Agreement (**BIA**) with Iris. A copy of the BIA was released to the ASX on 14 July 2025 and an ASX announcement was made on the same day. The BIA was subsequently amended and restated by way of amending deed dated and announced to ASX on 20 August 2025 and 28 August 2025 (and a reference to the BIA is a reference to the BIA as amended).

A copy of the BIA can be obtained from RCT's website at www.reefcasino.com.au/trust or from the ASX's website at www.asx.com.au.

A summary of certain key terms of the BIA is set out below. This is a summary only and should be read subject to the actual terms of the BIA.

(a) Exclusivity

The BIA contains certain exclusivity arrangements.

(1) **No shop**: During the Exclusivity Period, RCT must not, and must ensure that each of its representatives does not, solicit, invite, encourage or initiate any discussions in relation to a Competing Transaction or that may lead to a Competing Transaction.

(2) **No talk**: During the Exclusivity Period, RCT must not, and must ensure that each of its representatives does not participate in discussions with any other person regarding, or that could reasonably be expected to lead to, a Competing Transaction being made, even if those discussions were not directly or indirectly encouraged or that person has publicly announced their Competing Transaction (except to the extent that they restrict RCT or a Director from taking or refusing to take any action with respect to any actual, proposed or potential Competing Transaction that could reasonably be expected to lead to a transaction that is more favourable to Unitholders, after consultation with RCT's external advisers).

(3) **No due diligence**: During the Exclusivity Period, RCT must not, and must ensure that each of its representatives does not, make available to any other person any non-public information relating to RCT or any of its businesses, assets or operations, in connection with such person formulating or finalisation of a Competing Transaction (except to the extent that they restrict RCT or a Director from taking or refusing to take any action with respect to any actual, proposed or potential Competing Transaction that could reasonably be expected to lead to a transaction that is more favourable to Unitholders, after consultation with RCT's external advisers).

(4) **Notification**: During the Exclusivity Period, RCT must as soon as reasonably practicable (and, in any event within two business days) notify Iris in writing if it receives notice from any person regarding, or that could reasonably be expect to lead to, a Competing Transaction (or proposes to take or is approached to take any of the actions described above). Such notice must be accompanied by all material details of the relevant event.

(5) **Matching right**: If any Independent Director proposes to (whether or not subject to conditions) change or withdraw their recommendation of the Offer or approve or recommend entry into agreements regarding a Competing Transaction, RCT must give Iris written notice of such proposed change of recommendation. Iris will then have the right to

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amend the terms of the Offer within five business days. If Iris exercises this right, the Independent Directors must review Iris' counter proposal in good faith. If the Independent Directors determine that the counter proposal would be as favourable (as a whole) to Unitholders as the Competing Transaction:

(A) RCT and Iris must use reasonable endeavours to enter into documentation effecting Iris' counter proposal;

(B) RCT must:

(i) use reasonable endeavours to procure that each Independent Director recommends Iris' counter proposal to Unitholders (subject to there being no Superior Proposal and the Independent Expert continuing to give the Reasonable Opinion) and does not recommend the Competing Transaction;

(ii) not enter into any agreement, arrangement or understanding of any kind (whether written or verbal, binding or non-binding, express or implied or enforceable or unenforceable) in respect of the Competing Transaction; and

(iii) continue to comply with its obligations under the BIA.

(b) Break fee agreement

The break fee or cost reimbursement provisions of the BIA are contained in clause 7. The following is a high-level summary of the key aspects of the break fee arrangements.

RCT has agreed to pay Iris a break fee, or cost reimbursement fee of $1,927,300.09 in the following circumstances:

(1) if any Independent Director fails to make, or makes and then withdraws, revises, revokes, or qualifies a recommendation to Unitholders to accept the Offer;

(2) if any Independent Director publicly endorses or otherwise publicly supports a Competing Transaction or any other third party proposal to acquire RCT's Units or assets,

in each case unless RCT has terminated the BIA because Iris has materially breached the BIA, where the Independent Directors have withdrawn their recommendation as permitted by the BIA (provided that the Independent Expert has not failed to give, or withdrawn, the Reasonable Opinion due to a Competing Transaction) or because of a court or Government Agency issuing an order, decree or ruling, or taking other action, that permanently restrains or prohibits the bid, and the action is final and cannot be appealed or reviewed;

(3) if a Competing Transaction is announced during the Exclusivity Period and within 12 months of announcement, results in a person obtaining control of RCT or an interest in 20% more of the Units;

(4) if Iris validly terminates the BIA, except where RCT has terminated the BIA:

(A) because Iris has materially breached the BIA;

(B) where the Independent Directors have withdrawn their recommendation as permitted by the BIA (provided that the

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Independent Expert has not failed to give, or withdrawn, the Reasonable Opinion due to a Competing Transaction); or

(C) because of a court or Government Agency issuing an order, decree or ruling, or taking other action, that permanently restrains or prohibits the bid, and the action is final and cannot be appealed or reviewed.

Iris has also agreed to pay RCT a reverse break fee of the same amount in the following circumstances:

(1) where RCT terminates the BIA due to Iris' material breach; or

(2) if the Regulatory Conditions are not satisfied and have not been waived by the End Date, unless Iris has terminated the BIA:

(A) for RCT's breach of the BIA;

(B) for a breach of warranty by RCT (that is of a kind that could reasonably be expected to have resulted in Iris either not entering into the BIA or entering into it on materially different terms);

(C) where the Independent Directors recommend a Competing Transaction;

(D) where the Independent Directors change, withdraw, revoke, revise or qualify their recommendation of the Offer or make a public statement indicating they no longer recommend or intend to accept the Offer (other than where the Independent Expert does not give, or withdraws or revokes, a Reasonable Opinion, provided that the Independent Expert has not failed to give, or withdrawn, the Reasonable Opinion due to a Competing Transaction).

10.3 Sale of RCSL and the Operator

(a) RCSL

CAIL and Accor have agreed to sell all of the shares in RCSL to Iris for consideration of $10,884,000. Completion of the sale is subject to a number of conditions, including that:

– the Offer becomes Unconditional; and

– relevant Queensland Government approvals are obtained.

For more information about the conditions, please refer to section 9.3 of the Bidder's Statement.

(b) The Operator

CAIL and Accor have agreed to sell all of the shares in the Operator to Iris for consideration of $30,397,120, plus a target working capital amount of $2,602,880 (subject to a working capital adjustment). Completion of the sale of the Operator is subject to a number of conditions, including that:

– the Offer becomes Unconditional; and

– relevant Queensland Government approvals are obtained.

For more information about the conditions, please refer to section 9.3 of the Bidder's Statement.

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Under the terms of the Operator Share Purchase Agreement, no later than 30 Business Days before the Completion Date, Iris may make an offer of employment in writing to certain employees seconded to the Operator that is:

(1) conditional on the completion of the Operator Share Purchase Agreement; and

(2) effective from the completion of the Operator Share Purchase Agreement.

(c) Conditionality

It is a Condition of the Offer that the Operator Share Purchase Agreement and Responsible Entity Share Purchase Agreements have become unconditional before the end of the Offer Period.

(d) Independent Expert's Report

In the Independent Expert's Report included in Attachment 1 of this Target's Statement, the Independent Expert concludes that:

- given the relativities in the consideration under the Offer and the acquisition of RCSL and the Operator, and the significant premium available under the Offer, it is unlikely, in its view, that either of the Major Unitholders would require the provision of any collateral / net benefit to secure their acceptance of the Offer;
- the acquisition of RCSL and the Operator pursuant to the relevant Share Purchase Agreements do not provide any collateral / net benefit to CAIL and/or Accor; and
- nothing has come to the Independent Expert's attention in respect of the acquisition of RCSL and the Operator that would cause the Independent Expert to change the conclusions reached in relation to the Offer.

(e) Bidder's Statement

For more information about these transactions, please refer to section 9.3 of the Bidder's Statement.

10.4 Material litigation

RCT does not believe that it is involved in any material litigation or dispute.

10.5 Issued capital

As at the date of this Target's Statement, RCT's issued capital consisted of 49,801,036 units. Of these 49,801,036 units, 740,000 units are defined as restricted Founder Units which are held by the Major Unitholders and are not listed on the ASX and are subject to restrictions on transfer as set out in the Casino Agreements.

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10.6 Substantial holders

As at 26 September 2025, being the last practicable date prior to lodgement of this Target's Statement, each of the following persons was a substantial holder of Units:

Unitholder	Number of Units	Relevant Interest (%) in Units
Casinos Austria Group	33,416,908*	67.10
SAZKA Entertainment including ALLWYN Group**	33,416,908*	67.10
Österreichische Beteiligungs AG**	33,416,908*	67.10
Accor Group	27,421,803 *	55.06
Gary Mauric***	4,900,000	9.84

* Includes the total Units owned by Reef Casino Investments Pty Ltd (which represents 50.2% of the Units). Reef Casino Investments Pty Ltd is jointly owned in equal proportions by CAIL and Accor. Each of the Casinos Austria Group and Accor Group have a Relevant Interest in the Units held by Reef Casino Investments Pty Ltd under the Corporations Act as set out in the table.

** Reflects the same interest as Casinos Austria Group.

*** Includes 4,740,000 Units owned by Gary Mauric and 160,000 Units owned by a body corporate in which Gary Mauric has an interest of more than 20%. In addition, the RCT register records a Mr Vincent Mauric as holding approximately 0.1% of units and a Ms Rita Mauric as holding 0.4%.

10.7 Consents

This Target's Statement contains statements made by, or statements said to be based on statements made by, Lonergan Edwards & Associates Limited, the Independent Expert. Lonergan Edwards & Associates Limited has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Target's Statement.

This Target's Statement contains statements made by, or statements said to be based on statements made by Ernst & Young, as the tax advisor in relation to the preparation of the taxation report included in Attachment 2. Ernst and Young consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Target's Statement.

Herbert Smith Freehills Kramer has given, and has not withdrawn before the date of this Target's Statement, its written consent to be named in this Target's Statement as Australian legal advisers in the form and context in which it is so named. Herbert Smith Freehills Kramer has not advised on the laws of any foreign jurisdiction and has not provided tax advice in relation to any jurisdiction.

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Morgans Corporate Limited has given, and has not withdrawn before the date of this Target's Statement, its written consent to be named in this Target's Statement as Australian financial advisers in the form and context in which it is so named.

This Target Statement contains statements made by, or statements said to be based on statements made by:

- CAIL. CAIL consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Target's Statement;
- Accor. Accor consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Target's Statement; and
- RCI. RCI consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Target's Statement.

Computershare Investor Services Pty Ltd has given, and has not withdrawn before the date of this Target's Statement, its written consent to be named in this Target's Statement as the Unit registry in the form and context in which it is so named.

None of Herbert Smith Freehills Kramer, Morgans Corporate Limited or Computershare Investor Services Pty Ltd:

- have caused or authorised the issue of this Target's Statement;
- make or purport to make any statement in this Target's Statement or any statement on which this Target's Statement is based; or
- take any responsibility for any part of this Target's Statement other than any reference to its name.

This Target's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX. Under the terms of *ASIC Corporations (Consents to Statements) Instrument 2016/72*, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Target's Statement. Any Unitholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Unitholder Information Line on 1300 077 160 (for calls made from within Australia) or +61 1300 077 160 (for calls made from outside Australia) or alternatively you can send an email to Open Engagement at brendan@openengagement.au. Please note that calls to the Unitholder Information Line may be recorded.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72* this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement contains Unit price trading data sourced from IRESS without its consent.

10.8 No other material information

This Target's Statement is required to include all the information that Unitholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any director of RCSL.

The Directors are of the opinion that the information that Unitholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with, or superseded by, information in this Target's Statement);
- the information contained in RCT's releases to the ASX, and in the documents lodged by RCT with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement (including the information contained in the Independent Expert's Report).

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of the Units;
- the matters that Unitholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Unitholders' professional advisers; and
- the time available to RCT to prepare this Target's Statement.

11 Glossary and interpretation

11.1 Glossary

The meanings of the terms used in this Target's Statement are as defined in the BIA and as set out below.

Term	Meaning
Accor	Accor Casino Investments (Australia) Pty Limited ACN 089 359 633.
Accor Group	Accor and its Related Bodies Corporate who have a Relevant Interest in RCT and, for the purposes of section 10.6 of this Target's Statement, includes RCI.

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Term	Meaning
Announcement Date	announcement of the receipt of Iris' non-binding, conditional and indicative proposal to acquire all the Units in RCT made to the ASX on 26 February 2025.
ASIC	Australian Securities and Investments Commission.
Associate	has the meaning given in the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691).
BIA	the Takeover Bid Implementation Agreement dated 11 July 2025 between RCSL, in its capacity as responsible entity of RCT, and Iris, as amended and restated on 20 August 2025 and on 28 August 2025.
Bidder's Statement	the statement of Iris under Part 6.5 Division 2 of the Corporations Act relating to Iris' Offer dated 29 August 2025.
Board	the board of directors of RCSL.
BOQ	Bank of Queensland Limited ACN 009 656 740.
Business Day	Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
CAIH	Casinos Austria International Holding GmbH.
CAIL	Casinos Austria International Ltd ACN 065 998 807.
Cairns Casino Agreement	the Cairns Casino Agreement dated 9 December 1993 between the State of Queensland, Perpetual Trustee Company Limited and RCSL as varied from time to time.
Casino	the Reef Hotel Casino.
Casino Agreements	Cairns Casino Agreement, the Foundation Agreement and the Trust Deed.

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Term	Meaning
Casino Licence	the licence in respect of RCT issued pursuant to the *Casino Control Act 1982* (Qld), as amended from time to time.
Casinos Austria Group	CAIL, CAIH and each of their Related Bodies Corporate who have a Relevant Interest in RCT and for the purposes of section 10.6 of this Target's Statement, includes RCI.
CGT	Capital gains tax.
Competing Transaction	any expression of interest, proposal, offer or transaction (or a series of transactions), which if entered into or completed, would result in a person (other than Iris or one of its Related Bodies Corporate): • directly or indirectly acquiring a Relevant Interest in Units of 15% or more; • directly or indirectly, acquiring an interest in, or otherwise acquiring, having the right to acquire, becoming the holder of, a legal, beneficial or economic interest in, or control of: – 15% or more of the Units; or – the whole or a substantial part of the business or property of RCT; • directly or indirectly acquiring control of RCT, within the meaning of section 50AA of the Corporations Act; or • otherwise acquiring or merging (including by a scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership, reverse takeover bid or dual listed company structure) with RCT.
Complex	the Reef Hotel Casino Complex in Cairns, North Queensland.
Condition	the Conditions to the Offer, as set out in section 10.7 of the Bidder's Statement and extracted in Attachment 3 to this Target's Statement.
Corporations Act	the *Corporations Act 2001* (Cth) (as modified or varied by ASIC).
Director	a member of the Board, including both Non-Independent Directors and Independent Directors.
End Date	the date on which the Offer Period ends, being 13 March 2026, unless extended.

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Term	Meaning
Exclusivity Period	the period commencing on 11 July 2025 and ending on the first to occur of: • the date of termination of the BIA; and • the End Date.
Finance Documents	the facility provided by BOQ entitled Facility Details Business Term Loan dated 21 August 2024.
Foundation Agreement	the agreement dated 9 December 1993 between CAIL, RCSL and Accor, as amended from time to time.
Founder Units	the 740,000 founder Units as defined in the Foundation Agreement issued by RCT and held in equal proportions by each of CAIL and Accor.
Franchise Agreement	the agreement dated 24 December 2001 between AAPC Properties Pty Limited and the Operator as amended on 5 November 2008.
Government Agency	a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local in Australia, including (without limitation) any self-regulatory organisation established under a statute or otherwise discharging substantially public or regulatory functions, and in particular, ASX, ASIC and any federal or state based gaming authority.
Independent Directors	Ms Wendy Morris and Ms Abigail Cheadle.
Independent Expert	Lonergan Edwards & Associates Limited ACN 095 445 560.
Independent Expert's Report	the independent expert's report prepared by the Independent Expert and dated 26 September 2025 which is contained in Attachment 1 to this Target's Statement.
Iris	Iris Cairns Property Pty Ltd (ACN 686 055 514) as trustee for the Iris Cairns Property Trust (ABN 37 481 296 645) of level 16, 201 Sussex Street Sydney NSW 2000, wholly owned by Iris Group and the entity established for the purposes of making the Offer.

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Term	Meaning
Iris Group	the Radayla Family Trust and each entity or trust that is, directly or indirectly, controlled by the Radayla Family Trust (including Iris), where "control" has the meaning given in section 50AA of the Corporations Act.
Keno Agency Agreement	the agreement between Keno (Qld) Pty Ltd and the Operator dated 17 March 2022.
Listing Rules	the Official Listing Rules of the ASX, as amended and waived.
Major Unitholder	each of Accor and CAIL and each of their Related Bodies Corporate, and for the purposes of this Target's Statement, includes RCI.
Material Adverse Change	any event, change, condition, matter or thing that occurs, or first becomes known to Iris (each a Specified Event) which individually or when aggregated with one or more Specified Events, has, will or is reasonably likely to have the effect of: • reducing annual EBITDA of a Target Group Entity by an amount equal to $2,250,000 or more against what it would reasonably have been expected to have been but for such Specified Event; or • diminishing the consolidated net asset value of RCT by $10,000,000 or more against what it would reasonably have been expected to have been but for such Specified Event, including: • a Government Agency or other body withdraws, revokes, cancels, suspends or otherwise modifies, in writing, an approval, consent, licence or permit granted to or held by a Target Group Entity (or expresses an intention in writing to do any of these things), including the Casino Licence or under the Cairns Casino Agreement, where to do so, will or is likely to, materially adversely affect RCT's business; • a material breach of any laws, regulations, approval, consent, licence or permit granted to or held by a Target Group Entity, including the Casino Licence or under the Casino Cairns Agreement, by a Target Group Entity as a result of which any Government Agency has or would have the right to terminate, revoke, cancel, suspend or otherwise modify any applicable approval, consent, licence or permit granted to or held by a Target Group Entity where to do so, will or is likely to, materially adversely affect RCT's business; or • an increase of 10% or more in the actual costs incurred by the Target Group, or forecast of costs to be incurred by the Target Group as set out in RCT's management accounts, to the estimated costs for certain carpark remediation and drainage improvement, but not including any events, occurrences or matters that:

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Term	Meaning
	• arise from any actual or proposed change in any law, or rule or regulation of any Government Agency (including the interpretation or non-application of any laws by any Government Agency), after the date of the BIA where the relevant Government Agency had, prior to the date of this agreement, publicly announced, suggested or proposed such change in the public domain (and for the avoidance of doubt would not include any other actual or proposed change in any law, or rule or regulation of any Government Agency (including the interpretation or non-application of any laws by any Government Agency) after the date of the BIA); • arise from adverse weather conditions or natural disasters; • arise from any change in generally accepted accounting standards, after the date of the BIA; • arise from general economic, business or political conditions, taxation, interest rates or changes in any such conditions (including disruptions to, or fluctuations in, financial markets, or changes in interest rates, foreign currency exchange rates or commodity prices) after the date of the BIA, provided that RCT is not disproportionately affected by such change, relative to other participants in the industry in which RCT operates; • have been disclosed by RCT in its public filings with ASX or ASIC before the date of the BIA; • are required or permitted to be done or procured by RCT to be done in accordance with the BIA, the Takeover Bid or the transactions contemplated by either (including the payment of reasonable Transaction costs); • are fairly disclosed in writing to Iris in disclosure materials provided by RCT to Iris before execution of the BIA; or • have been previously approved by Iris in writing.
Material Contract	each of: • the Cairns Casino Agreement; • the Foundation Agreement; • the Operating Agreement; • the Property Leases; • the Trust Deed; • the Franchise Agreement; • the UBET Agreement; • the Keno Agency Agreement; • the Reef Casino Shareholders' Agreement; • the Subleases; and • the Finance Documents.

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Term	Meaning
Non-Independent Directors	• Mr Allan Tan; • Mr Philip Basha; • Mr Fritz Pühringer; • Mr Erwin van Lambaart; and • Mr Adrian Williams.
Notice of Status of Conditions	Iris' notice disclosing the status of the Conditions to the Offer which is required to be given by section 630(3) of the Corporations Act.
Offer or **Iris' Offer**	the offer by Iris for the Units, which offer is contained in section 10.1 of the Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 10.2 of the Bidder's Statement.
Offer Price	$3.87 for each Unit.
Operator	Casinos Austria International (Cairns) Pty Limited ACN 062 222 011.
Operating Agreement	the Reef Casino Operating Agreement between the Operator and RCSL in its capacity as responsible entity for RCT dated 9 December 1993 (as amended by deed dated 23 November 1999).
Operator Share Purchase Agreement	the share purchase agreement dated 11 July 2025 pursuant to which Iris agrees to purchase all of the issued shares in the Operator.
Prescribed Occurrence	the occurrence of any of the following where that occurrence was not consented to by Iris in writing and is not the result of RCT taking or procuring any action required to be taken or procured by it under the BIA: • RCT converting all or any of its securities into a larger or smaller number of securities; • RCT resolving to reduce its capital in any way or reclassifying, combining, splitting, redeeming or cancelling directly or indirectly any of its securities; • RCT entering into a buy-back agreement or resolving to approve the terms of such an agreement;

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Term	Meaning
	• RCT making an issue of its securities or granting an option over its securities, or granting a performance right or agreeing to make such an issue or grant such an option, performance right, or accelerate the rights of any such benefit; • RCT issuing, or agreeing to issue, convertible notes; • RCT disposes, or agrees to dispose of, the whole or a substantial part of its business or property; • RCT charging, or agreeing to charge, the whole, or a substantial part, of its business or property; • RCT resolving that it be wound up; • the appointment of a liquidator or provisional liquidator of RCT; • the making of an order by a court for the winding up of RCT; • RCSL being required to wind up the RCT; • an administrator of RCT being appointed; • RCT entering into an agreement to effect a trust scheme for the benefit of creditors of RCT; • the appointment of a receiver or a receiver and manager in relation to the whole, or a substantial part, of the property of RCT; or • without Iris' prior written consent, RCT resolves, agrees, commits or announces an intention to do any of the things referred to in the preceding paragraphs of this definition.
Property Leases	the special lease granted from the State of Queensland (as landlord) to RCSL as responsible entity for RCT (as tenant) over the land in Title Reference 17742006 (Lot 10 on Crown Plan 817961 and Lot 11 on Crown Plan 898617) for a term of 75 years commencing 16 December 1993 and expiring 15 December 2068.
RCI	Reef Casino Investments Pty Ltd ACN 088 639 767.
RCT	Reef Casino Trust ARSN 093 156 293 or, where appropriate, RCSL acting in its capacity as responsible entity of the Reef Casino Trust.
RCSL	Reef Corporate Services Limited ABN 66 057 599 621.
Reasonable Opinion	the Independent Expert concludes in the Independent Expert Report that: • the Offer is either: – fair and reasonable; or

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Term	Meaning
	– not fair, but reasonable; and • the transactions contemplated by the Responsible Entity Share Purchase Agreement and the Operator Share Purchase Agreement do not constitute a net benefit.
Register	the register of Units kept by RCT.
Regulated Event	the occurrence of any of the following where that occurrence was not consented to Iris in writing and is not the result of RCT taking or procuring any action required to be taken or procured by it under the BIA: • RCT makes any material change to the Trust Deed other than a change which is required by law; • RCT making any change to any of its accounting policies other than as required by law, by a change in the accounting standards or where the change is a consequence of a change in generally accepted accounting practices or policies; • RCT creates, or agrees to create, any encumbrance over its business or any part of its property other than in the ordinary course of its business; • RCT incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of the BIA where the funds drawn pursuant to those advances are used in the ordinary course of business; • RCT makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in RCT in the ordinary course of business), other than in the ordinary course of business; • RCT ceases, or threatens to cease, to carry on business; • RCSL is deregistered as a company or otherwise dissolved; • RCT is or becomes unable to pay its debts when they fall due; • RCT entering into any arrangement, commitment or agreement with: – a related party (as that term is defined in section 228 of the Corporations Act as modified by Part 5C.7 of the Corporations Act); or – any of RCSL, the Operator, or either of the Major Unitholders or any of their respective Related Bodies Corporate, which either: – involves any commitment or liability of $100,000 or more; or – is other than in the ordinary course of business; • RCT makes or amends any tax election, changes any method of tax accounting, settles or compromises any tax liability, files

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Term	Meaning
	any amended tax return, enters into a closing agreement, surrenders any right to claim a tax refund or consents to the extension or waiver of the limitation period applicable to any tax claim or assessment, other than: – any tax election (or amendment to a tax election) required by applicable law; or – any change to any tax accounting method required by the accounting standards required by applicable law; • RCT pays, discharges, settles, satisfies, compromises, waives, assigns or releases any claims, liabilities or obligations exceeding $500,000 other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in RCT's financial statements or incurred in the ordinary course of business consistent with past practice; • RCT authorises, recommends or proposes any release or relinquishment of any material contractual right, except in the ordinary course of business consistent with past practice; • without Iris' prior written consent, RCT: – increases the remuneration of, pays any bonus (other than in accordance with existing contractual entitlements as at the date of the BIA which have been fairly disclosed to Iris) to or otherwise varies the appointment arrangements of any Director; – pays any Director termination or retention payments (otherwise than in accordance with contractual entitlements existing at the date of the BIA which were fairly disclosed to Iris prior to the date of the BIA); – enters into employment arrangements with any individual which could involve RCT giving a commitment to such individual in excess of $150,000 per annum; – enters into, offers to enter into or agrees to enter into any agreement, joint venture, asset or profit share, partnership or commitment which would require expenditure, or the foregoing of revenue, by RCT of an amount which is, in aggregate, more than $500,000 other than in the ordinary course of business; – enters into, amends or terminates any Material Contract other than in the ordinary course of business; or – resolves, agrees, commits or announces an intention to do any of the things referred to in this definition.
Reef Casino Shareholders' Agreement	the 'Reef Casino Joint Venture Shareholders Agreement' between Accor, CAIL, the Operator, RCSL and others dated 24 December 2001 as amended from time to time.
Regulatory Approvals	any matter required to satisfy a Regulatory Condition.

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Term	Meaning
Regulatory Condition	each Condition set out in sections 10.7(c) and 10.7(d)) of the Bidder's Statement being the conditions set out in 10.7(c) and 10.7(d) of Attachment 3 to this Target's Statement.
Related Body Corporate	has the meaning it has in the Corporations Act.
Relevant Interest	has the meaning it has in the Corporations Act.
Responsible Entity Share Purchase Agreement	the share purchase agreement dated 11 July 2025 (and as amended on 20 August 2025) pursuant to which Iris agrees to purchase all of the issued shares in RCSL.
Rights	has the meaning given in section 11.1 of the Bidder's Statement.
Share Purchase Agreement	each of the Operator Share Purchase Agreement and the Responsible Entity Share Purchase Agreement.
Subleases	• the casino operating sublease granted from the Responsible Entity as responsible entity for the Trust (as landlord) to the Operator (as tenant) over part of the land in the Property Lease, described as "parts of Levels 1, 2, 3 and 4, the parts of Carpark 1 and Carpark 2 and the parts of Casino Level 1 Lower Gaming R.L.3.0, Casino Level 1M Back of House R.L.6.5, Casino Level 2 Upper Gaming Level R.L.10.0 and casino Level 2M Back of House R.L.13.0 of one of the buildings on Lot 10 on CP817961" for a term of 33 years, 9 months and 3 days commencing 24 January 1996 and expiring 26 October 2029; • the hotel operating sublease granted from the Responsible Entity as responsible entity for the Trust (as landlord) to the Operator (as tenant) over part of the land in the Property Lease, described as "Levels 1, 2, 3, 4, 5, 6 and 7 and the parts of Carpark 1 and Carpark 2 of one of the buildings on Lot 10 on CP817961 and the part of Level 1 of the other building on that Lot" for a term of 33 years, 9 months and 3 days commencing 24 January 1996 and expiring on 26 October 2029; • the facilities operating sublease granted from the Responsible Entity as responsible entity for the Trust (as landlord) to the Operator (as tenant) over part of the land in the Property Lease, described as "parts of Levels 1, 2, 4 and 6 and the parts of Carpark 1 and Carpark 2 of one of the buildings on Lot 10 on CP817961 and the part of Level 2 of the other building on that Lot and the whole of Lot 11 (in strata) on CP898617" for a term of 33 years, 9 months and 3 days commencing 24 January 1996 and expiring on 26 October 2029; and

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Term	Meaning
	• the dome sublease granted from the Responsible Entity as responsible entity for the Trust (as landlord) to the Operator (as tenant) over part of the land in the Property Lease, described as "Lease DW on SP245713" for a term of 17 years, 6 months and 26 days commencing 1 April 2012 and expiring 26 October 2029.
Superior Proposal	a bona fide transaction or proposed transaction which the Independent Directors determine, acting in good faith and in order to satisfy what the Independent Directors consider to be their fiduciary and statutory duties (after having taken advice from RCT's financial and legal advisors), is capable of being valued and completed substantially in accordance with its terms, taking into account all aspects of the transaction or proposed transaction (including its consideration (and form of consideration), conditions precedent and the person or persons making it) and is superior overall for Unitholders as compared to the Offer.
Takeover Bid	Iris' off-market takeover bid constituted by the dispatch of Iris' Offer in accordance with the Corporations Act.
Target Group	RCT, RCSL and the Operator (and **Target Group Entity** means each of them).
Target's Statement	this document (including the attachments), being the statement of RCT under Part 6.5 Division 3 of the Corporations Act in response to the Takeover Bid.
Trust Deed	the Trust Deed of RCT dated 2 July 1993, as amended from time to time.
UBET Agreement	the agency agreement between UBET QLD Limited (ABN 84 085 691 738) and the Operator dated 6 November 2023.
Unconditional	in relation to the Offer means all Conditions to the Offer as set out in section 6.2 have been fulfilled or have been waived by Iris.
Unit	a fully paid ordinary Unit in Reef Casino Trust ARSN 093 156 293.
Unitholder	each person who is registered in the register of members of RCT as a holder of Units in RCT.

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Term	Meaning
Voting Power	has the meaning it has in the Corporations Act.

11.2 Interpretation

In this Target's Statement:

(1) Unless otherwise defined, other words and phrases have the same meaning (if any) given to them in the Corporations Act.

(2) Words of any gender include all genders.

(3) Words importing the singular include the plural and vice versa.

(4) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.

(5) A reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Target's Statement as relevant.

(6) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them.

(7) Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.

(8) A reference to time is a reference to Sydney time**.**

(9) A reference to dollars, $, A$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

12 Authorisation

This Target's Statement has been approved by a resolution passed by the Directors of RCSL, the responsible entity of RCT. All Directors, including the Independent Directors, voted in favour of that resolution.

Signed for and on behalf of RCSL:

date 29 September 2025

sign here ►

print name Wendy Morris

position Chair, Reef Corporate Services Limited

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Corporate directory

RCSL

35-41 Wharf Street

CAIRNS QLD 4870

https://www.reefcasino.com.au/reef-casino-trust/

ASX:RCT

Financial adviser

Morgans Corporate Limited

Level 29, Riverside Centre

123 Eagle Street

BRISBANE QLD 4000

Australian legal adviser

Herbert Smith Freehills Kramer

Level 31, 480 Queen Street

BRISBANE QLD 4000

Independent Expert

Lonergan Edwards & Associates Limited

Level 7, 64 Castlereagh Street

SYDNEY NSW 2000

Unit Registry

Computershare Investor Services Pty Ltd

Level 1, 200 Mary Street

BRISBANE QLD 4000

Unitholder Information Line

Telephone within Australia: 1300 077 160

Telephone outside of Australia: +61 1300 077 160

Email address: brendan@openengagement.au

Attachment 1

Independent Expert's Report

Attached separately

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LONERGAN EDWARDS
& ASSOCIATES LIMITED

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The Independent Board Committee
Reef Corporate Services Limited
35-41 Wharf Street
Cairns QLD 4870

26 September 2025

Subject: Takeover offer for the Reef Casino Trust

Dear Directors

Introduction

1 On 26 February 2025, Reef Corporate Services Limited (RCSL), in its capacity as responsible entity of the Reef Casino Trust (RCT or the Target), announced that it had received a confidential, non-binding and highly conditional proposal from Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust (Iris or the Bidder) to acquire 100% of the units in RCT (Proposal). The Proposal also contemplated the acquisition of RCSL and Casinos Austria International (Cairns) Pty Ltd (CAIC), the operator of the Reef Hotel Casino complex (the Complex) owned by RCT.

2 On 14 July 2025, RCSL, in its capacity as responsible entity of RCT, announced that it had entered into a Takeover Bid Implementation Agreement (TIA) with Iris. Under the terms of the TIA, Iris would make an off-market takeover bid to acquire all of the ordinary units in RCT at an offer price of $3.5541 cash per unit (the Offer).

3 Subsequent to the announcement of the Offer, a series of escalating competing proposals were put forward by the Morris Group[1] and Iris. On 28 July 2025, RCT announced that it had received a competing takeover offer from the Morris Group at $3.70 per RCT unit. On 20 August 2025, Iris revised its Offer, increasing the consideration to $3.72 per RCT unit. The following day, the Morris Group increased its proposed consideration to $3.85 per RCT unit. On 28 August 2025, Iris again increased its Offer consideration, this time to $3.87 per RCT unit.

4 The Bidder's Statement in respect of Iris' most recent Offer ($3.87 per RCT unit) was subsequently lodged with the Australian Securities & Investments Commission (ASIC) on 29 August 2025 (Bidder's Statement).

1 A group associated with Mr Chris Morris, the founder of Computershare.

Authorised Representatives:
Wayne Lonergan • Julie Planinic* • Nathan Toscan • Hung Chu • Grant Kepler* • Martin Hall • Jorge Resende • Brett Aalders • Craig Edwards

* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.
Liability limited by a scheme approved under Professional Standards Legislation

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5 The Offer values the total equity in RCT at approximately $192.7 million and is subject to a number of conditions, which must be satisfied, or waived in order for the Offer to proceed. These conditions, including the key conditions that Iris acquire no less than an 80% interest in RCT and the Additional Transactions (refer below) become unconditional, are outlined in Section I.

6 In addition to the Offer, Iris has made an inter-conditional offer to acquire all the issued shares in RCSL, the responsible entity of RCT, and CAIC, the lessee and operator of the Complex (together, the Additional Transactions).

7 RCSL and CAIC are jointly (i.e. 50:50) owned by Casinos Austria International Limited (CAIL) and Accor Casino Investments (Australia) Pty Ltd (Accor). CAIL and Accor (and their associated entities) also collectively own approximately 72% of the units on issue in RCT.

8 Consideration for the Additional Transactions comprises approximately $10.884 million for RCSL and some $33.0 million for CAIC (subject to a working capital adjustment following completion).

9 The Offer opened to acceptances on 12 September 2025 and is currently scheduled to close at 7:00pm (Sydney time) on 13 March 2026, unless extended or withdrawn in accordance with the *Corporations Act 2001* (Cth) (Corporations Act).

10 If successful, the Offer and the Additional Transactions will (in combination) result in Iris acquiring all entities associated with the ownership and operation of the Complex.

RCT

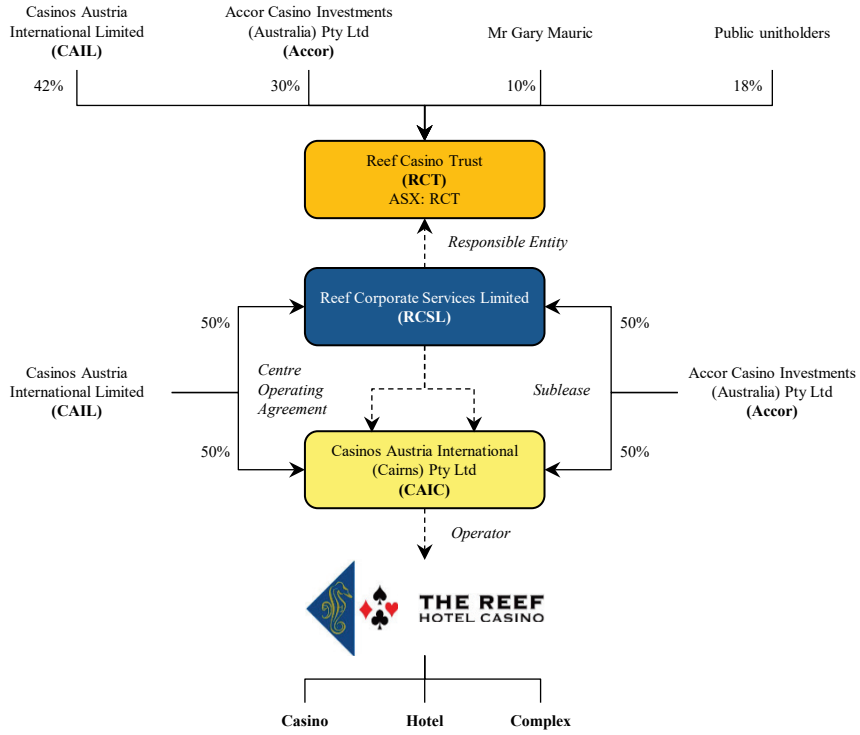
11 RCT is a single purpose trust listed on the Australian Securities Exchange (ASX), formed to own and operate the Complex under the Cairns Casino Agreement (which includes the Casino Licence and a special lease for the land upon which the Complex is situated). The responsible entity of RCT is RCSL.

12 The Complex is located on the waterfront in Cairns, North Queensland and comprises the Reef Hotel Casino (the Casino), the Pullman Reef Hotel Casino (the Hotel) and other facilities including a nightclub (currently closed), conference facilities, centre maintenance areas and a car park. RCT subleases the Complex to CAIC which (effectively) operates the Complex on RCT's behalf in accordance with the Centre Operating Agreement.

13 A diagrammatic representation of the Reef Group comprising RCT, RCSL and CAIC and the current ownership structure is set out below:

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Reef Group – ownership and operational structure(1)(2)(3)



Note:

1 CAIL's interest comprises half the 25.0 million units held in Reef Casino Investments Pty Ltd (which is jointly owned by CAIL and Accor) as well as the 5.661 million units held by Casino Austria International Holding GmbH (a parent company of CAIL) and 2.756 million units (including 370,000 founder units) which it itself owns.

2 Accor's interest comprises half the 25.0 million units held in Reef Casino Investments Pty Ltd (which is jointly owned by CAIL and Accor) as well as the 2.422 million units (including 370,000 founder units) which it itself owns.

3 Mr Gary Mauric's interest includes 0.160 million units owned by a body corporate in which Mr Gary Mauric has an interest of more than 20%, as well as the 4.740 million units he holds directly. However, excludes the 0.1% and 0.4% held by Mr Vincent Mauric and Ms Rita Mauric respectively.

Iris

14 Iris is based in Sydney and is owned by Iris Capital Group. Iris owns two casinos: Casino Canberra, a casino located in the central business district of Canberra and the first legal casino to open in Australia; and Lasseters in Alice Springs. Iris Capital Group is an Australian development and hospitality group that owns and undertakes various Australian property developments and owns and operates a range of hospitality venues including hotels, pubs and casinos.

Purpose of the report

15 While there is no statutory requirement for RCT to obtain an independent expert's report (IER), the Independent Board Committee of RCSL[2] (IBC) has requested that Lonergan Edwards & Associates Limited (LEA) prepare an IER stating whether, in LEA's opinion, the Offer is "fair and reasonable" to RCT unitholders.

16 Pursuant to s623 of the Corporations Act, bidders are precluded from offering a benefit to induce a person to accept an offer if that benefit is not provided to all securityholders (known as a collateral benefit). Given that CAIL and Accor (and their associated entities) collectively

2 As responsible entity of RCT.

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own approximately 72% of the units in RCT and the inter-dependency of the Offer and the Additional Transactions, the IBC has also requested that our IER include a section that opines upon whether, in our opinion, the Additional Transactions confer a collateral benefit upon CAIL and/or Accor.

17 LEA is independent of RCT and Iris (as well as the parties to the Additional Transactions, i.e. RCSL, CAIC, CAIL and Accor) and has no other involvement or interest in the outcome of the Offer or the Additional Transactions, other than the preparation of this report.

Summary of opinion on Offer

18 LEA has concluded that the Offer is fair and reasonable to RCT unitholders, in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Assessment of "fairness"

19 We have assessed the value of RCT units on a 100% controlling interest basis at $3.24 to $3.55 per unit, as shown below:

RCT – valuation summary[1]

	Paragraph	Low $m	High $m
Enterprise value	149	168.3	183.6
Other assets / (liabilities)	159	(5.3)	(5.3)
Net debt	161	(1.5)	(1.5)
Equity value – controlling interest basis		161.5	176.8
Fully diluted units on issue (millions)[2]	164	49.8	49.8
RCT value per unit – controlling interest basis ($)		3.24	3.55

Note:
1 Rounding differences may exist.
2 Fully paid ordinary units on issue including the 740,000 founder units held by CAIL and Accor.

20 The consideration offered by Iris under the Offer is $3.87 cash per RCT unit.

21 Pursuant to ASIC Regulatory Guideline 111 – *Content of expert reports* (RG 111)[3], an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. This comparison for RCT units is shown below:

Comparison of Offer consideration with RCT value

	Low $ per unit	High $ per unit	Mid-point $ per unit
Value of Offer consideration	3.87	3.87	3.87
Value of 100% of ordinary units in RCT	3.24	3.55	3.40
Extent to which the Offer consideration exceeds (or is less than) the value of the units in RCT	0.63	0.32	0.47

22 As the consideration offered by Iris lies above our assessed value of 100% of the ordinary units in RCT, in our opinion, the Offer is fair to RCT unitholders when assessed based on the guidelines set out in RG 111.

3 Which establishes the assessment framework to which an expert must adhere in evaluating the merits of a proposal.

23 While our assessment is based upon a theoretical valuation of RCT, we note that the Offer has arisen out of a competitive bidding process that developed between Iris and the Morris Group. Accordingly, in our view, the Offer consideration must, by definition, represent "fair" value.

Assessment of "reasonableness"

24 Pursuant to RG 111, an offer is "reasonable" if it is "fair". Consequently, in our opinion, the Offer is also "reasonable", in the absence of a superior proposal.

25 Notwithstanding the regulatory requirement to conclude that the Offer is reasonable solely because it is fair, we have also outlined below a range of other factors that we consider relevant for RCT unitholders in deciding whether to accept the Offer. In summary:

(a) the Offer consideration lies above the high end of our assessed value range for RCT units on a 100% controlling interest basis

(b) the Offer consideration is a cash sum certain and represents a considerable premium (some 40+%[4]) to the market prices of RCT units prior to the announcement of the receipt of the initial non-binding Proposal from Iris on 26 February 2025. Even after allowing for subsequent general market movements[5], the premiums remain significant

(c) the Offer consideration of $3.87 per RCT unit is the highest of the escalating competing offers received from Iris and the Morris Group between 14 July 2025 and 28 August 2025. In other words, it reflects the current highest offer arising from a reasonably lengthy competitive bidding process

(d) CAIL and Accor, which together own some 72% of the units on issue in RCT, intend to accept the Offer within 21 days of its opening, subject to the absence of a superior proposal and LEA assessing (and continuing to assess) the Offer as reasonable

(e) any alternative transaction, whether from the Morris Group or a third party, would require the approval of CAIL and Accor. It is unlikely that they would approve a transaction that does not also involve the concurrent acquisition of RCSL and CAIC (which they jointly own) on at least comparable terms to those proposed by Iris

(f) if the Offer lapses and no higher offer, or alternative proposal emerges, we expect that, at least in the short term, RCT units will trade at a discount to our valuation and the Offer consideration due to the difference between the value of RCT units on a portfolio basis and the value on a 100% controlling interest basis.

Collateral benefit

26 In determining whether CAIL and/or Accor is receiving a collateral benefit in connection with the Additional Transactions we have considered:

(a) the relative value of the Additional Transactions when compared to the consideration received for CAIL's and Accor's combined circa 72% interest in RCT

(b) a comparison of the implied earnings multiples for the business conducted by CAIC and RCSL and that implied by the Offer for RCT.

4 Depending upon the basis of measurement.

5 Noting that we do not necessarily consider it appropriate to adjust RCT's unit prices for the general market movements that have occurred subsequent to 25 February 2025.

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27 Having regard to the basis of our evaluation, the limitations set out in this report and the results of our analysis:

(a) the EBIT[6] multiples implied by the consideration offered for the securities subject to the Additional Transactions are lower than those implied by the Offer, despite the earnings streams being subject to similar risks

(b) given the relativities in the consideration under the Offer and the Additional Transactions[7], and the significant premium available under the Offer, it is unlikely, in our view, that CAIL or Accor would require the provision of any collateral benefit to secure their acceptance of the Offer.

28 As such, in our opinion, the Additional Transactions do not provide any collateral / net benefit to CAIL and/or Accor. Moreover, nothing has come to our attention in respect of the Additional Transactions that would cause us to change the conclusions we have reached in relation to the Offer.

General

29 This report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual RCT unitholders. Accordingly, before acting in relation to the Offer, RCT unitholders should have regard to their own objectives, financial situation and needs. RCT unitholders should also read the Bidder's Statement that has been issued by Iris, and the Target's Statement that has been issued by RCT in relation to the Offer.

30 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether RCT unitholders should accept the Offer. This is a matter for individual RCT unitholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If RCT unitholders are in doubt about the action they should take in relation to the Offer or matters dealt with in this report, shareholders should seek independent professional advice.

31 For our full opinion on the Offer and the reasoning behind our opinion, we recommend that RCT unitholders read the remainder of our report.

Yours faithfully

Nathan Toscan
Authorised Representative

Julie Planinic
Authorised Representative

6 Earnings before interest and tax (EBIT).

7 The consideration received by CAIL and Accor under the Offer represents more than 3 times the total consideration they will receive pursuant to the Additional Transactions.

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A **Financial Services Guide**

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I Outline of the Offer and the Additional Transactions

32 An overview of the Offer, its history and the Additional Transactions is set out at paragraphs 1 to 10.

The Offer

Conditions

33 The Offer is subject to the following conditions:

(a) Iris obtains a relevant interest in at least 80% (by number) of RCT units during or at the end of the Offer Period[8]

(b) at the end of the Offer Period, there are no securities on issue in RCT other than 49,801,036 RCT units and there are no outstanding offers, agreements or rights to be issued with RCT units

(c) all casino and liquor licensing approvals are obtained

(d) approval by the Attorney General of Queensland, Queensland's Governor in Council and the parties to the Foundation Agreement[9] as required under the Foundation Agreement including to allow the transfer of the Restricted Units to the Bidder under the Offer

(e) no Prescribed Occurrences or Regulated Events having occurred

(f) no incurring of significant liabilities by RCT (other than in the ordinary course of business) or material change to its financing arrangements, except with the Bidder's consent or as contemplated by the TIA

(g) no regulatory action that would prohibit the Offer from proceeding

(h) no acquisition or disposal by RCT of material assets, and no material capital expenditure

(i) no material adverse change having occurred in relation to RCT

(j) the Additional Transactions becoming unconditional (other than any condition in relation to the Offer becoming unconditional)

(k) no distributions other than the distributions in September and March each year in accordance with RCT's distribution policy of distributing 100% of distributable profits to RCT Unitholders or otherwise permitted in the TIA

(l) no person being entitled to exercise rights under certain material agreements

(m) no material litigation against RCT; and

---

8 The 80% minimum acceptance condition may be waived if no later than seven days before the end of the Offer Period if:
(a) Iris has received acceptances in respect of 75% of RCT units
(b) there is no Competing Transaction
(c) no other conditions have been breached
(d) Accor and CAIL have each accepted the Offer (and confirm in writing that the acceptance will not be withdrawn).

9 Reef Casino Trust Foundation Agreement dated 9 December 1993.

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(n) the TIA not being terminated by either party to it.

34 The TIA also includes customary exclusivity provisions for Iris' benefit, including a break fee of $1,927,300 (plus any GST), "no talk", "no shop" and a right to match competing proposals.

35 RCT may also be entitled to receive a reverse break fee of an equivalent amount from Iris in certain circumstances, including where the Regulatory Conditions are not satisfied, and Iris is not entitled to exercise certain rights of termination in respect of the TIA.

Bidder termination rights

36 The Bidder may terminate the TIA if (inter alia):

(a) the Target is in material breach of the TIA and that breach is material in the context of the Bid, the Bidder has given notice of its intention to terminate and the material breach (to the extent it is capable of being rectified) is not rectified within the time periods specified in the TIA

(b) a representation or warranty becomes untrue in any material respect, where the breach of that representation or warranty is not capable of remedy (or if capable of remedy, is not remedied within the time periods specified in the TIA) and is of a kind that could reasonably have been expected to have resulted in the Bidder not entering into the TIA or entering into it on materially different terms

(c) a Competing Transaction is publicly proposed that is recommended by any Director on the IBC

(d) if any of the conditions become incapable of satisfaction, and ASIC has either consented to the withdrawal of the Offer or the Offer Period has ended and the Bidder is not required to proceed with the Offer

(e) if any Director on the IBC fails to make, or withdraws or changes their recommendation of or acceptance of the Offer (other than where the Independent Expert fails to give a Reasonable Opinion[10], unless the failure to do so is due to the existence of a Competing Transaction); or

(f) a court or government agency issues an order or takes an action that permanently restrains the Offer (and that order or action may not be appealed or reviewed).

37 More detail on the conditions relating the Offer is set out in Section 10 of the Bidder's Statement and Section 6.2 of the Target's Statement.

Additional Transactions

38 In addition to the TIA, Iris has entered into the following inter-conditional agreements:

(a) Responsible Entity Share Purchase Agreement (RE SPA) being the share purchase agreement pursuant to which Iris agrees to purchase all of the shares in RCSL for $10.884 million plus one or more Permitted Dividends from the accrued profits of RCSL post 1 January 2025 (if completion of the RE SPA occurs during the 2025

10 Under the TIA, "Reasonable Opinion" means that the Independent Expert concludes in the IER that:
(a) the Offer is either "fair and reasonable" or "not fair, but reasonable" and
(b) the Additional Transactions do not constitute a collateral benefit.

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calendar year, and otherwise from the accrued profits from any complete financial year plus the period from 1 January to the business day before completion) provided that there is a minimum of $0.85 million of cash remaining in the company after the Permitted Dividend is paid

(b) Operator Share Purchase Agreement (Operator SPA) being the share purchase agreement pursuant to which Iris agrees to purchase all of the shares in CAIC, the operator of the Complex, for approximately $33.0 million[11] plus one or more Permitted Dividends from the accrued profits of CAIC post 1 January 2025 (if completion of the Operator SPA occurs during the 2025 calendar year, and otherwise from the accrued profits from any complete financial year plus the period from 1 January to the business day before completion) provided that there is a minimum of $8.0 million of cash remaining in CAIC after the Permitted Dividend is paid.

39 The Additional Transactions are subject to the following conditions precedent:

(a) the Offer being declared unconditional, and there is no Superior Proposal entitling the Bidder to receive the break fee under the TIA

(b) each of the RE SPA (in relation RCSL) and Operator SPA (in relation CAIC) becoming unconditional (other than in respect of the Offer becoming unconditional)

(c) in respect of the Operator SPA only:

(i) neither the Casino Licence nor the Cairns Casino Agreement being revoked or varied in a way which materially and adversely alters the way in which CAIC and RCT are entitled to conduct their businesses

(ii) the Centre Operating Agreement is not terminated or varied in a way which materially and adversely alters the way in which CAIC is entitled to conduct its business

(d) all Queensland Government Approvals are obtained

(e) no objection from the Australian Competition and Consumer Commission (which has now been obtained by Iris)

(f) no regulatory action prior to completion.

40 More detail on the conditions relating the Additional Transactions is set out in Section 9.3 of the Bidder's Statement and Section 10.3 of the Target's Statement.

11 Comprising the Headline Price of approximately $30.4 million plus the Target Working Capital Amount of approximately $2.6 million.

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II Scope of our report

Purpose

Offer

41 Section 640 of the Corporations Act requires that a target's statement made in response to a takeover offer for securities in an Australian listed entity must be accompanied by an IER if:

(a) the bidder's voting power in the target is 30% or more at the time the bidder's statement is sent to the target; or

(b) the bidder and the target have common directors.

42 The IER must state whether, in the opinion of the independent expert, the takeover offer is "fair and reasonable" to the target's securityholders as well as provide the reasons for that opinion.

43 Iris' interest in RCT was less than 30% at the time it sent the Bidder's Statement to RCT and it has no representation on the RCSL Board. Accordingly, there is no statutory requirement for RCT to obtain an IER.

44 Notwithstanding the above, the IBC of RCSL (as responsible entity of RCT) has requested that LEA prepare an IER stating whether, in LEA's opinion, the Offer is "fair and reasonable" to RCT unitholders (i.e. prepare an IER as if it were required under s640 of the Corporations Act). Our report will accompany the Target's Statement to be sent to RCT unitholders.

45 It should be noted that this report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual RCT unitholders. Accordingly, before acting in relation to the Offer, RCT unitholders should have regard to their own objectives, financial situation and needs. RCT unitholders should also read the Bidder's Statement that has been issued by Iris, and the Target's Statement that has been issued by RCT in relation to the Offer.

46 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether RCT unitholders accept the Offer. This is a matter for individual RCT unitholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If RCT unitholders are in doubt about the action they should take in relation to the Offer or matters dealt with in this report, shareholders should seek independent professional advice.

Collateral benefits

47 Pursuant to s623 of the Corporations Act, bidders are precluded from offering a benefit to induce a person to accept an offer if that benefit is not also provided to all other securityholders (known as a collateral benefit).

48 Given that CAIL and Accor (and their associated entities) collectively own approximately 72% of the units in RCT and the inter-dependency of the Offer and the Additional Transactions, the IBC of RCSL (as responsible entity of RCT) has also requested that our IER include a section that opines upon whether the consideration to be received by CAIL and

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Accor in respect of the Additional Transactions constitutes the receipt of a collateral benefit as interpreted by the Takeovers Panel Guidance Note 21: *Collateral Benefits* (TPGN21).

49 The purpose of our opinion with respect to the Additional Transactions is to assist RCT unitholders in considering whether to accept the Offer. We recommend that RCT unitholders not associated with the Additional Transactions read this section of our report to gain an understanding of the broader transaction.

Basis of assessment

The Offer

50 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111 (which establishes the assessment framework to which an expert must adhere in evaluating the merits of a proposal).

51 RG 111 requires an expert that is appointed to analyse a takeover offer to separately assess whether the offer is "fair" and whether it is "reasonable".

52 **Fairness** involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the securities in the target, which are to be assessed assuming 100% ownership of the target (i.e. on a 100% controlling interest basis[12]). An offer is "fair" if the value of the consideration offered is equal to, or greater than, the value of the securities that are the subject of the offer. Fairness effectively measures whether securityholders (in the target) are being adequately compensated for the actual (or deemed) change of "control" in ownership.

53 **Reasonableness** involves the consideration of other significant quantitative and qualitative factors that securityholders might consider prior to accepting a proposal (e.g. the bidder's pre-existing voting interest in the target, the likelihood of an alternative offer being made, the likely market price if the offer is unsuccessful etc.). An offer is considered "reasonable" if it is "fair". An offer may also be considered "reasonable" if, despite being "not fair", the expert believes there are sufficient reasons for securityholders to accept the offer in the absence of any higher bid before the close of the offer.

54 Having regard to the above, our report has therefore considered:

Fairness

(a) the market value of the units in RCT on a 100% controlling interest basis

(b) the value of the cash consideration offered

(c) the extent to which (a) and (b) differ (in order to assess whether the Offer is "fair" under RG 111)

Reasonableness

(d) the extent to which a control premium is being paid to RCT unitholders

12 Although the 100% controlling interest value of the target should reflect the synergy benefits that are available to the market as a whole (e.g. public company cost savings), any special value that may be derived by a particular "bidder" should not be taken into account (e.g. synergies that are not available to other bidders).

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(e) the extent to which RCT unitholders are being paid a share of any synergies likely to be generated by an acquirer of RCT

(f) the listed market price of units in RCT, both prior to and subsequent to the announcement of the Offer

(g) the value of RCT to an alternative offeror and the likelihood of an alternative offer emerging, either prior to the close of the Offer, or sometime in the future (noting in particular, the significant proportion of units held by entities associated with CAIL and Accor)

(h) the position of RCT unitholders if Iris acquires less than 100% of the units on issue

(i) the listed market price of RCT units if the Offer is not successful

(j) other qualitative and strategic issues, risks, advantages and disadvantages associated with the Offer.

Collateral benefit

55 In the absence of regulatory guidance from ASIC on the issue, we have considered TPGN21 in assessing whether there is any reason to believe that the consideration payable under the Additional Transactions constitutes the receipt by CAIL and/or Accor of a collateral benefit.

56 TPGN21 sets out the Takeovers Panel's approach to assessing whether there are collateral benefits that give rise to the occurrence of unacceptable circumstances. The Takeovers Panel considers that unacceptable circumstances are likely to exist whenever a bidder provides a securityholder something of value (i.e. benefit) which it does not offer to other securityholders.

57 Whilst (in the applicable circumstances) it is ultimately a matter for the Takeovers Panel, TPGN21 sets out a number of ways that a person might seek to establish that there is no net benefit being provided to a particular securityholder. One of those ways is to have an expert opinion on whether there is a collateral benefit provided by a bidder to a securityholder that is not offered to other securityholders.

58 An expert's opinion about whether there is a collateral benefit may incorporate a valuation by the expert (or another person). The independent valuation should establish the price that might be negotiated in an open, unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length (i.e. market value).

59 Consistent with our understanding of the principles outlined in TPGN21, we have undertaken both a quantitative and a qualitative analysis of Iris' proposed inter-conditional acquisition of RCSL and CAIC. In particular, we have considered:

(a) the relative value of the Additional Transactions when compared to the consideration received for CAIL's and Accor's combined circa 72% interest in RCT

(b) a comparison of the implied earnings multiples for the businesses conducted by CAIC and RCSL and that implied by the Offer for RCT.

Limitations and reliance on information

60 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

61 Our report is also based upon financial and other information provided by RCT and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

62 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Offer from the perspective of RCT unitholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.

63 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.

64 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

65 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.

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III Profile of RCT

Overview

66 RCT is a single purpose trust listed on the ASX, formed to own and operate the Reef Hotel Casino complex under the Cairns Casino Agreement (which includes the Casino Licence and a special lease for the land upon which the Complex is situated). The responsible entity of RCT is RCSL.

67 The Complex is located on the waterfront in Cairns, North Queensland and comprises the Reef Hotel Casino (the Casino), the Pullman Reef Hotel Casino (the Hotel) and other facilities including a nightclub (currently closed), conference facilities, centre maintenance areas and a car park. RCT subleases the Complex to CAIC which (effectively) operates the Complex on RCT's behalf in accordance with the Centre Operating Agreement.

68 A diagrammatic representation of the Reef Group (comprising RCT, RCSL and CAIC) and the current ownership structure is set out at paragraph 13.

History

69 A summary of the key historical developments of RCT is set out below:

RCT – history	
Date	**Key development**
Jan 92	• Queensland Government called for submissions from parties for the right to build and operate a casino in Cairns
Jul 93	• RCT formed by founding companies CAIL, Country Comfort Trust No 1, Australian Olympic Committee and Touraust Corporation Pty Ltd
Dec 93	• Queensland Government, Perpetual Trustee Company Limited (then trustee of RCT) and RCSL (then the manager of RCT) entered into the Cairns Casino Agreement, which also provided for the grant of a special lease over the site on which the Complex is located. In addition, a prospectus dated 10 December 1993 offered 76.7 million units at $1 per unit
Feb 94	• Listed on the ASX
Jan 96	• Casino Licence granted to RCT and the Complex commenced trading on 31 January
Nov 99	• Commenced recapitalisation program to revitalise the Complex following the new joint venture partnership between CAIL and Accor. CAIL's wholly owned subsidiary CAIC became sole lessee / operator of the Complex. Once Accor obtained probity clearance from the Queensland Government it would jointly own CAIC with CAIL
Jun 00	• RCSL became the responsible entity of RCT • Recapitalisation program completed
Dec 01	• Accor obtained probity clearance from Queensland Government and became joint owner of RCSL
Nov 13	• Indicative takeover proposal from Aquis Casino Acquisitions Pty Ltd (Aquis) to acquire all units in RCT
Nov 14	• Aquis takeover proposal withdrawn
Mar 20	• COVID-19 forced the temporary closure of the Complex from March 2020 to July 2020
Feb 25	• Received confidential, non-binding takeover Proposal from Iris
Apr 25	• Received an alternative, indicative and non-binding proposal from the Morris Group
Jul 25	• Entered into the TIA with Iris
Aug 25	• A series of escalating competing proposals were put forward by the Morris Group and Iris

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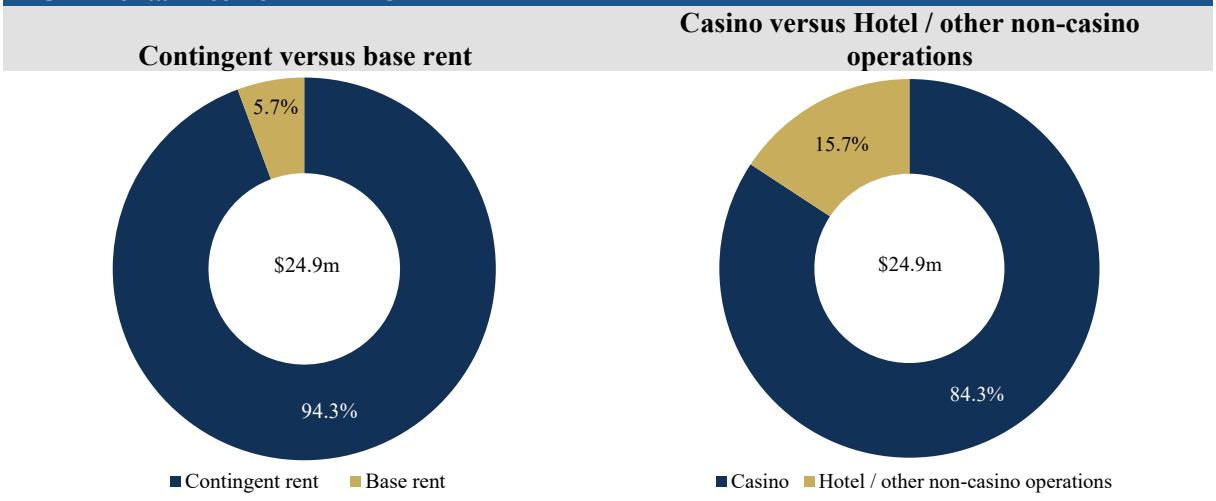
Arrangements with CAIC

70 RCT leases the Crown land on which the Complex is situated pursuant to a special lease granted as part of the Cairns Casino Agreement, which also includes the Casino Licence. The Casino License, granted to RCT on 24 January 1996, remains in effect until the special lease expires in 2068, noting that negotiations for a further lease term commence at any time during the final 10 years of the current lease. Upon being granted the lease, RCT paid $53 million to the Queensland Government as a lump sum prepayment of the rent for the entire 75 year lease term.

71 The Complex is subleased to CAIC as operator of the Complex under casino, hotel and ancillary facilities lease agreements. The sublease to CAIC is due to expire on 26 October 2029 and will automatically extend from year to year until 16 June 2054, subject to certain ownership conditions being met[13]. Thereafter, the lease may be extended until the expiry of the special lease (i.e. the site lease) in 2068. Although technically a sublease, the terms and conditions are more akin to a management agreement whereby RCT has contracted CAIC to operate the Complex on RCT's behalf in return for the payment of a fee[14], with all remaining profits generated by the Complex paid to RCT in the form of (base and contingent) rent. RCT is therefore exposed to the risks and benefits associated with the operation of the Casino, Hotel and other facilities within the Complex.

72 As noted above, the rent that RCT receives from the sublease of the Complex to CAIC comprises a base rent and a contingent rent component (the latter of which effectively depends on the financial performance of the Complex). The majority (over 90%) of the total rental income is derived from the contingent rent component. The Casino operations contribute the majority of total rent income, with a modest portion derived from Hotel and other non-casino operations (i.e. Hotel, including food and beverage, plus ancillary facilities). Set out below is the rental revenue received by RCT in LTM25 split by base and contingent rent and operations type:

RCT – rental income in LTM25



Source: RCT CY24 Annual Report and 2025 Half-Year (1H25) Report.

13 These conditions broadly require that CAIL and its affiliates (including Accor) continue to hold an interest in RCT of not less than 50%.

14 In general terms, CAIC's fee is comprised of two components:
(a) a percentage of the revenue generated by the Complex
(b) a share of the profit generated by the Complex.

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73 The basis for the calculation of base rent and contingent rent payable to RCT follows:

(a) base rent – indexed on a yearly basis and recognised on a straight-line basis over the lease term[15]

(b) contingent rent – effectively based on the financial performance of the Complex and recognised when contractually due. The Casino and Hotel and central facilities contingent rent is calculated as follows:

(i) Casino – the balance of the net operating income of the Casino after CAIC management fees (which are calculated based on 2% of Casino gross revenue (excluding interest) plus 5% of Casino net operating income[16])

(ii) Hotel – the balance of the net operating income of the Hotel after CAIC management fees (which are calculated based on 2% of Hotel gross revenue (excluding interest) plus 8% of the Hotel net operating income)

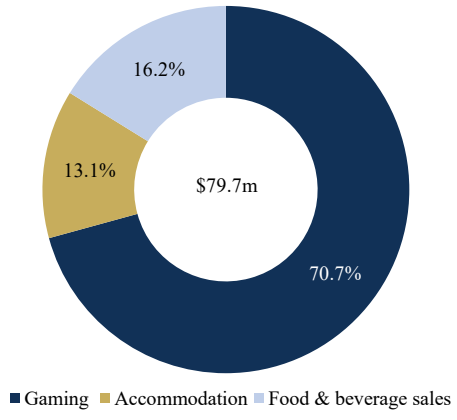
(iii) central facilities – 0.1% of RCT's net asset value (paid monthly and balanced annually) and the balance of the net operating income of the central facilities after CAIC management fees (which are calculated based on 5% of central facilities net operating income) and the 0.1% net asset value fee.

The Complex's operations

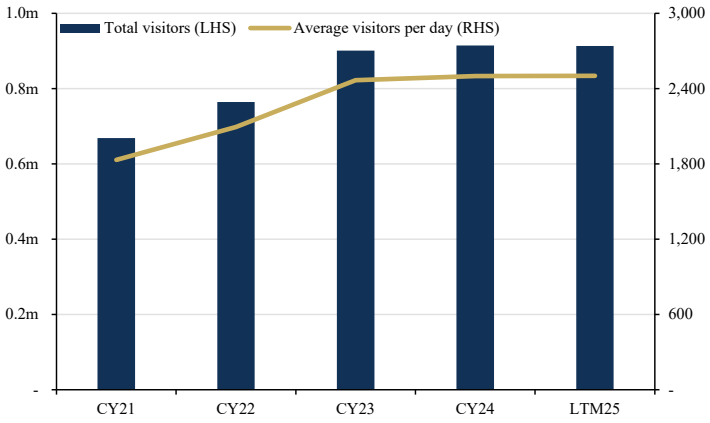
74 The Complex is located on the waterfront in Cairns and generates revenue from gaming as well as accommodation and food and beverage sales, servicing over 900,000 visitors over LTM25. The split of revenue by type in LTM25 and the number of visitors received by the Complex over the period CY21 to LTM25 is set out below:

The Complex – revenue split and visitor numbers

Complex revenue split (LTM25)



Complex visitors



Source: CAIC CY24 Annual Report and RCT December 2024 and June 2025 Management Reports.

15 As at 31 December 2024, the indexed base rents were approximately $1.1 million for the Casino, $0.3 million for the Hotel and $220 for the central facilities.

16 Net operating income calculated as gross revenues (excluding interest) less operating costs.

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75 The Casino offers table games across 38 tables, 443 electronic gaming machines (EGM)[17], TAB wagering facilities and a Keno lounge. Approximately 78% of the gaming revenue is generated from EGMs, 21% from table games, with only a minimal contribution from Keno and TAB. The drop / turnover generated by EGMs and table games and their respective hold rates (percentage of money gambled that the Casino retains) over the period CY21 to LTM25 are set out below:

The Complex – gaming drop / turnover

EGM turnover and hold rate

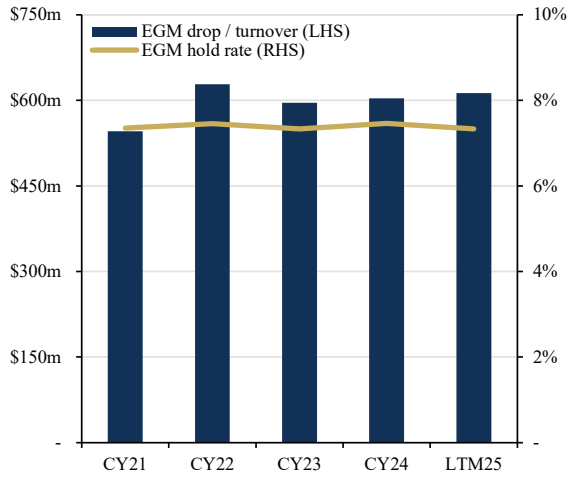
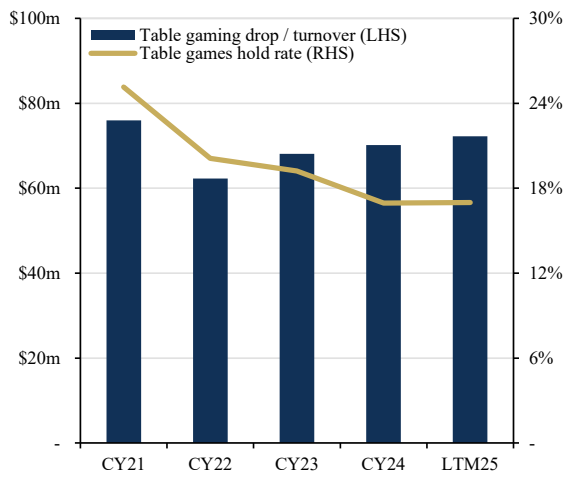


Table games drop and hold rates



Source: CAIC CY24 Annual Report and RCT December 2024 June 2025 Management Reports.

76 The Casino primarily attracts average income customers (referred to as the "grind business"), with a small portion of premium customers. Table games are less profitable than EGMs due to the costs associated with operating the tables and generally service locally based players, with a minor percentage of domestic interstate and international players.

77 The Pullman Reef Hotel Casino is a five star Accor branded hotel with 128 rooms situated directly adjacent to the Casino, with facilities including a swimming pool, spa and tour desk. The Hotel also provides function, meeting rooms and conference venues. The Hotel's core operating metrics over the period CY21 to LTM25 are summarised below:

The Hotel – key operating metrics

	CY21	CY22	CY23	CY24	LTM25
No. of rooms available (#)	46,355	46,355	46,355	46,817	46,720
Occupancy (%)	63.6%	72.5%	76.1%	79.7%	84.2%
Average room rate ($)	221.8	287.3	273.0	268.1	265.0
Revenue per available room ($)	141.2	208.3	207.8	213.8	223.2

78 In addition to room sales, the Complex generates revenue from:

(a) food & beverage offerings that comprise the Tamarind Restaurant, Flinders Bar & Grill, Soy Kitchen Street Food and Merchant Artisan Food & Coffee

17 Colloquially known as "pokies" in Australia and "slot machines" in other geographic regions.

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(b) live acts and shows, such as the Fleetwood Mac Show, Rocketman and LY Funhouse New Year's Eve party in its venue Bar 36

(c) the Dome, a dome located above the Casino. The Dome was closed in CY23 for necessary maintenance work (the tenant surrendered their lease) and is anticipated to reopen when the works are completed and a suitable tenant procured

(d) underground car park at the Casino (we note up until 2025, RCT also leased an externally owned car park).

Financial performance

79 The financial performance of RCT for the four years ended 31 December 2024 (CY24) and LTM25 is set out below:

RCT – financial performance[1]	CY21 $000	CY22 $000	CY23 $000	CY24 $000	LTM25 $000
Rental income					
Casino operations	24,110	25,719	22,825	21,470	20,992
Hotel and other non-casino operations[2]	2,651	4,628	3,106	3,768	3,922
Total rental income[3]	26,761	30,347	25,931	25,238	24,914
Sundry income[4]	61	85	150	121	84
Total income	26,822	30,432	26,081	25,359	24,998
Management fees					
– Responsible entity fees	(1,141)	(1,158)	(1,278)	(1,343)	(1,357)
– Responsible entity director fees	(323)	(206)	(128)	(211)	(292)
Repairs and maintenance	(1,452)	(1,760)	(3,154)	(2,766)	(2,552)
Property outgoings	(1,018)	(1,094)	(1,454)	(1,482)	(1,463)
Insurance	(1,584)	(1,849)	(2,078)	(2,249)	(2,307)
Rates and taxes	(749)	(772)	(798)	(817)	(824)
Other expenses	(990)	(1,036)	(1,160)	(1,307)	(1,276)
Total expenses	(7,257)	(7,875)	(10,050)	(10,175)	(10,071)
EBITDA[5]	19,565	22,557	16,031	15,184	14,927
Depreciation & amortisation (D&A)	(4,799)	(4,567)	(4,897)	(5,071)	(5,251)
EBIT	14,766	17,990	11,134	10,113	9,676
Net finance costs	(43)	(4)	123	55	(8)
Non-recurring items	-	-	(515)[6]	-	(536)[7]
Distributable profits	14,723	17,986	10,742	10,168	9,132
Finance costs attributable to unitholders[8]	(7,361)	(8,993)	(5,371)	(5,084)	(4,566)
Profit for the year	7,362	8,993	5,371	5,084	4,566
Total distributions paid	*14,731*	*18,013*	*10,802*	*10,170*	*9,134*
Distributions per unit (cents)	*29.6*	*36.2*	*21.7*	*20.4*	*18.3*

Note:

1 Rounding may differences may exist.

2 Including food and beverage, entertainment and the car park.

3 Split between base and contingent rental as follows:

Base rent	1,182	1,243	1,339	1,396	1,409
Contingent rent	25,578	29,104	24,592	23,842	23,505
Total rental income	26,760	30,347	25,931	25,238	24,914
Contingent rent / total rent (%)	95.6	95.9	94.8	94.5	94.3

4 Principally comprises revenue generated from an externally leased car park. The car park lease expired in early 2025 and was not renewed.
5 Earnings before interest, tax, depreciation and amortisation (EBITDA).
6 Represents the costs incurred by RCT as a result of the tenant surrendering the Dome lease so necessary maintenance works could be performed. Had the lease surrender payment not been made, RCT's earnings would have been $0.9 million higher (being $0.515 million in costs avoided plus $0.385 million in rent foregone).
7 Relates to the costs incurred in responding to the Offer and the Morris Group counter offer, including legal and consulting fees, IBC fees and staff costs.
8 The RCT Constitution contains a contractual obligation that RCT distribute at least 50% of its income for any income period. Under Australian Accounting Standards the first 50% of distributable profit is treated as "finance costs attributable to unitholders" with the remaining 50% treated as profit.

Source: RCT CY21 to CY24 Annual Reports and 1H24 to 1H25 Reports.

80 In respect of RCT's financial performance, we note that:

(a) RCT's revenue is primarily derived from contingent rental income which is directly linked to the performance of the Casino, Hotel and other Complex facilities. The level of rental income has declined since CY22 as a result of the profit of the Complex's operations declining:

(i) **CY22** – whilst the Omicron variant of COVID-19 had a slight impact on operations during 1H22, the Complex stayed open throughout the year. Local and domestic patronage was strong during the year, particularly from mid-March onwards and although international borders had reopened there were minimal international patrons. Pent-up demand from lockdowns resulted in a significant increase in revenue from EGM, hotel room occupancy and food and beverage sales. Table gaming revenue continued to be affected by the limited return of international table game players

(ii) **CY23** – visitation increased by 17.8%, driven by targeted marketing and promotion activities as well as the easing of COVID-19 restrictions, the return of international arrivals, the reopening of convention centres and a higher number of cruise ship arrivals. Table gaming revenue increased by 3.9% as a result of improved local and interstate visitation, however a 6.3% decline in EGM revenue significantly impacted total revenue. While room revenue marginally decreased, ongoing promotions and live entertainment contributed to higher food and beverage sales

(iii) **CY24** – visitation increased by 1.5% as local and domestic patronage was generally strong, with international patrons still below pre-pandemic levels. EGM revenue grew by 3.2% due to support from local and domestic markets and grind table gaming results improved marginally, however premium play results were weaker due to a lower win rate and a reduction in the number of premium players compared to CY23

(iv) **1H25** – visitation decreased by 0.3%, with local and domestic markets strong but international tourism still below pre-COVID-19 levels. EGM revenue decreased slightly by 0.3%, whilst table gaming revenue increased by 6.8% due to local and domestic visitors. In addition, the casino supervisory levy and costs in relation to achieving regulatory uplift requirements resulted in higher costs

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(b) responsible entity fees are based on 0.375% of the value of the net assets of the trust as at the last day each half year period (equating to an annual percentage of 0.75%)[18], plus an amount based on the value of gross assets. The responsible entity is also entitled to reimbursement of expenses incurred in relation to the management and administration of RCT, including legal, accounting and financial expenses

(c) the expenses associated with the Complex (e.g. property outgoings, insurance etc.) which are to some extent fixed and have steadily increased year-on-year

(d) repairs and maintenance costs have significantly increased over the period CY21 to CY24, impacting RCT's profitability

(e) other expenses have also increased over time due to an increase in consultant fees and employment expenses

(f) D&A includes depreciation of buildings and plant and equipment as well as the amortisation of the right-of-use (ROU) assets, being the site lease and (now expired) car park lease:

RCT – D&A(1)

	CY21 $000	CY22 $000	CY23 $000	CY24 $000	LTM25 $000
Depreciation					
Building	1,459	1,498	1,812	1,793	1,914
Plant and equipment	2,490	2,226	2,252	2,445	2,540
Total depreciation	3,949	3,724	4,064	4,238	4,454
Amortisation					
Computer software	48	42	31	31	35
Site lease (2)	707	707	706	706	707
Carpark lease(3)	95	94	96	96	55
Total amortisation	850	843	833	833	797
Total D&A	4,799	4,567	4,897	5,071	5,251

Note:
1 Rounding may differences may exist.
2 The prepaid cost of the site lease (i.e. special lease) of $53 million is amortised on a straight line basis over the 75 year term and recognised as an ROU asset.
3 Relates to externally leased car park. The lease expired in early 2025 and was not renewed. The car park lease was recognised as an ROU asset.
Source: RCT CY21 to CY24 Annual Reports and 1H24 to 1H25 Reports.

Financial position

81 The financial position of RCT as at 31 December 2024 and 30 June 2025 is set out below:

18 The fees are paid quarterly.

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RCT – statement of financial position[1]	31 Dec 24 $000	30 Jun 25 $000
Cash and cash equivalents	3,186	1,783
Trade and other receivables	3,213	4,416
Property, plant and equipment (PP&E)	94,673	94,718
Intangible assets	59	40
Total assets	101,131	100,957
Trade and other payables	(4,720)	(3,812)
Lease liabilities	-	-
Deferred income	(9)	(9)
Loans and borrowings	(1)	(2,001)
Total liabilities[2]	(4,730)	(5,822)
Net assets	96,401	95,135

Note:
1 Rounding differences may exist.
2 Total liabilities in the 1H25 statement of financial position are $90.873 million due to the inclusion of $85.051 million (being 50% of the paid up value of units on issue) as a liability due to the required treatment under Australian Accounting Standards. As RCT is contractually required to distribute at least 50% of its income each period, the units on issue are considered to be compound financial instruments for accounting purposes and 50% of the total issued units are classified as a liability in the statement of financial position in the annual report to reflect the expected future distributions payable on the units. The remaining 50% of the units on issue are classified as equity.

Source: RCT CY24 Annual Report and 1H25 Report; LEA analysis.

82 In regards to the above, we note that:

(a) **trade and other receivables** – trade and other receivables are set out below:

RCT – trade and other receivables, net of expected credit losses	31 Dec 24 $000	30 Jun 25 $000
Rent receivable from lessee	2,340	2,378
Loan to lessee[1]	750	750
Prepayments and other debtors	98	1,263
Security deposits	25	25
Total	3,213	4,416

Notes:
1 The loan is measured at amortised cost using the effective interest methods, less any allowances for expected credit losses.

(b) **PP&E** – is carried at historical cost less accumulated D&A, and broken down as follows:

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RCT – PP&E	31 Dec 24 $000	30 Jun 25 $000
Building & integral plant	50,465	49,418
Site lease (prepaid $53 million less accumulated amortisation)(1)	31,065	30,711
Plant & equipment	12,885	12,943
Work in progress	251	1,646
Car park lease(2)	7	-
Net carrying amount	94,673	94,718

Notes:
1 The site lease (i.e. special lease) is amortised on a straight line basis over the 75 year term and recognised as a ROU asset.
2 Relates to externally leased car park. The lease expired in early 2025 and was not renewed. The car park lease was recognised as a ROU asset.

The trust Constitution requires RCT to obtain independent valuations of the Complex at least once every three years by an independent valuer. The valuation is used for disclosure purposes and also assists RCT in determining whether there is any impairment of the cash generating unit or reversal of a previously recognised impairment. The most recent independent valuation of RCT's interest in the Complex was carried out by CBRE Valuations Pty Limited (CBRE) as at 31 December 2023. The Complex was valued at $161.0 million

(c) **trade and other payables** – measured initially at fair value and subsequently measured at amortised cost using the effective interest method:

RCT – trade and other payables	31 Dec 24 $000	30 Jun 25 $000
Trade creditors and accruals	1,804	2,162
Accrued distributions(1)	2,916	1,650
Total	4,720	3,812

Note:
1 Distributions relating to issued units classified as a liability for accounting purposes. As RCT must distribute at least 50% of net income for the period, 50% of the undistributed income for CY24 is recognised as liability in the statement of financial position (with the remaining 50% reflected in the distribution account in the reported equity balance).

(d) **loans and borrowings** – as at 30 June 2025, RCT had a loan balance of $2.0 million drawn down on an available facility of $15.0 million. The loan is secured by first and second mortgages over the 75 year special lease and a fixed and floating charge over all of RCT's assets. The loan matures on 30 June 2028 and includes a debt service cover ratio covenant of 2.25 times, tested semi-annually on a 12 month rolling basis.

Unit capital and unit price performance

83 RCT has 49.8 million fully paid ordinary units on issue. There are no other securities on issue.

84 The units on issue include 740,000 restricted founder units (held in equal proportions by CAIL and Accor). Founder units are not listed on the ASX and can only be transferred with

consent of the Founders[19], Queensland's Governor in Council and by making a binding covenant to be bound by the Reef Casino Trust Foundation Agreement dated 9 December 1993 (Foundation Agreement). Founder units cannot be encumbered.

Significant unitholders

85 The ownership of RCT is concentrated amongst three significant unitholders, as follows:

RCT – significant unitholders

Unitholder	Units held (million)	Interest %
CAIL(1)	20.9	42.0
Accor(2)	14.9	30.0
Mr Gary Mauric(3)	4.9	9.8

Note:

1 Comprises half the 25.0 million units held in Reef Casino Investments Pty Ltd (which is jointly owned by CAIL and Accor) as well as the 5.661 million units held by Casino Austria International Holding GmbH (a parent company of CAIL) and 2.756 million units (including 370,000 founder units) which it itself owns.

2 Comprises half the 25.0 million units held in Reef Casino Investments Pty Ltd (which is jointly owned by CAIL and Accor) as well as the 2.422 million units (including 370,000 founder units) which it itself owns.

3 Includes 0.160 million units owned by a body corporate in which Mr Gary Mauric has an interest of more than 20%, as well as the 4.740 million units he holds directly. However, excludes the 0.1% and 0.4% held by Mr Vincent Mauric and Ms Rita Mauric respectively.

Source: RCT CY24 Annual Report, Bidder's Statement and Target's Statement.

86 The RCT trust deed provides that no person (other than a Founder) can, without Ministerial approval, hold more than 5% of the total number of issued units at any time. According to the trust deed, a person is taken to hold a controlling interest in a corporation if the person, alone or together with any associate or associates of the person, holds 15% or more of the units on issue or controls 15% or more of the voting rights. As at the date of this report, CAIL and Accor are the only unitholders with a controlling interest by this definition.

Unit price performance

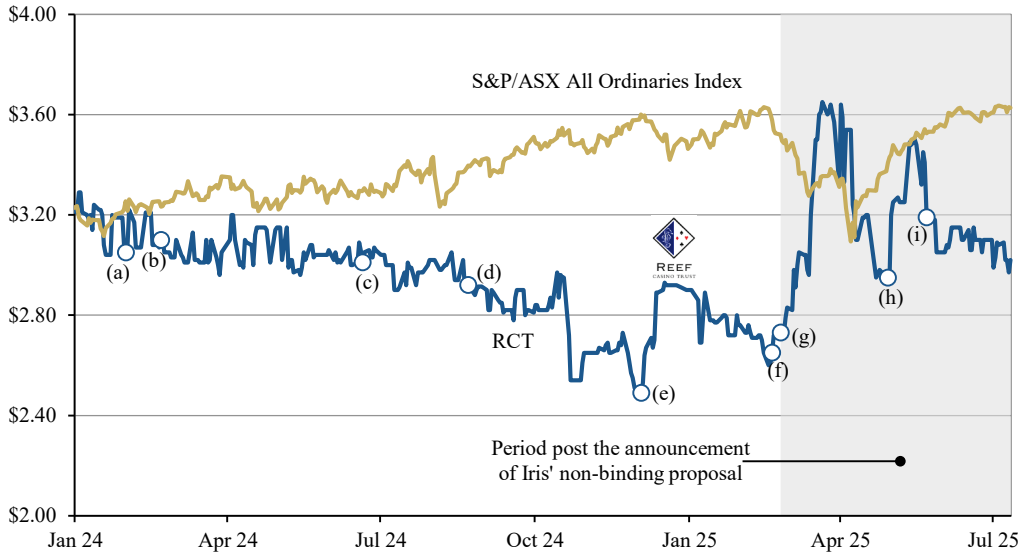
87 The following chart illustrates the movement in the unit price of RCT from 1 January 2024 to 11 July 2025 (being the last trading day prior to the announcement of the Offer):

19 The RCT trust deed defines Founders as "*Casinos Austria International GmbH, Australian Olympic Committee Inc., Touraust Management Pty Limited and Perpetual Trustee Company Limited as trustee of the Country Comfort Trust No. 1 and any other person who at any time holds a Restricted Unit*" and Restricted Units as "*those Units which are designated as Restricted Units under the terms of the Foundation Agreement*".

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RCT – unit price history[1]
1 January 2024 to 11 July 2025



Note:
1 Based on closing prices. The S&P/ASX All Ordinaries Index has been rebased to RCT's last traded price on 1 January 2024, being $3.22.
Source: FactSet and LEA analysis.

88 We note the following with respect to the material movements in the RCT unit price:

(a) **1 February 2024 –** announced an increase in the valuation of the Complex to $161.0 million as of 31 December 2023. The previous valuation was undertaken as at 31 December 2020 and valued the Complex at $132.0 million

(b) **22 February 2024 –** released CY23 financial results, reporting a year-on-year decrease in revenue from ordinary activities (including interest income) from $30.5 million to $26.3 million, and a decrease in distributable profit of 40.3% from $18.0 million to $10.7 million

(c) **21 June 2024 –** announced a trading update reporting an estimated distributable profit of $4.1 million for 1H24, a decrease from $4.7 million for the same period in the previous year

(d) **23 August 2024 –** released 1H24 financial results, reporting revenue from ordinary activities (including interest income) of $11.6 million which was down from the $11.7 million reported for 1H23. Additionally, distributable profits decreased by 7.5%, from $4.7 million to $4.3 million

(e) **4 December 2024 –** provided guidance for an estimated distributable profit of $10.0 million for CY24, down from $10.7 million in CY23

(f) **20 February 2025 –** released CY24 financial results, reporting a year-on-year decrease in revenue from ordinary activities (including interest income) from $26.3 million to $25.5 million, and a decrease in distributable profit of 5.3% from $10.7 million to $10.2 million

(g) **25 February 2025 –** announced a trading halt and on the subsequent day announced that RCT had received a confidential, non-binding Proposal from Iris to acquire 100% of the units in RCT

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(h) **30 April 2025 –** in response to media speculation, RCT confirmed ongoing negotiations with Iris and confirmed that it had also received an alternative, indicative and non-binding proposal from the Morris Group

(i) **23 May 2025 –** provided guidance for an estimated distributable profit of between $3.2 million to $3.8 million for 1H25, down from $4.3 million for the same period in the previous year.

Liquidity in RCT units

89 The liquidity in RCT units based on trading on the ASX over the 12 month period up to and including 25 February 2025 (being the last trading day before the announcement of the receipt of the initial non-binding Proposal from Iris) and to 11 July 2025 (being the last trading day prior to the announcement of the Offer) is set out below:

RCT – liquidity in units

Period	Start date	End date	No. of units traded 000	WANOU[1] Total units outstanding 000	WANOU[1] Excluding sig holders[2] 000	Implied annual liquidity[3] Based on total units %	Implied annual liquidity[3] Excluding sig holders %
Prior to initial non-binding Proposal from Iris:							
1 month	26 Jan 25	25 Feb 25	125	49,061	9,062	3.1	16.7
3 months	26 Nov 24	25 Feb 25	342	49,061	9,062	2.8	15.1
6 months	26 Aug 24	25 Feb 25	546	49,061	9,062	2.2	12.0
1 year	26 Feb 24	25 Feb 25	1,008	49,061	9,062	2.1	11.1
Prior to the Offer:							
1 month	12 Jun 25	11 Jul 25	52	49,061	9,062	1.3	7.2
3 months	12 Apr 25	11 Jul 25	173	49,061	9,062	1.4	7.7
6 months	12 Jan 25	11 Jul 25	883	49,061	9,062	3.6	19.8
1 year	12 Jul 24	11 Jul 25	1,335	49,061	9,062	2.7	14.8

Note:
1 Weighted average number of units outstanding (WANOU) during relevant period adjusted to exclude the 740,000 Founder units that are not listed on the ASX.
2 WANOU adjusted to exclude the 40.7 million units held by the significant unitholders outlined at paragraph 85.
3 Number of units traded during the period divided by WANOU, converted to an annualised figure.
Source: FactSet and LEA analysis.

90 As shown in the table above, the annualised unit turnover in RCT units based on the free float (i.e. excluding the units held by CAIL, Accor and Mr Gary Mauric) is modest. RCT is not currently covered by any research analysts.

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IV Industry overview

Overview

91 RCT operates within the casino segment of the broader Australian gambling industry. Casino and gaming businesses are predominately engaged in the management and provision of gaming services to consumers, including the operation of land-based casinos, EGMs[20], lotteries, wagering, sports betting and increasingly, online (casino and sports betting) and mobile gaming platforms.

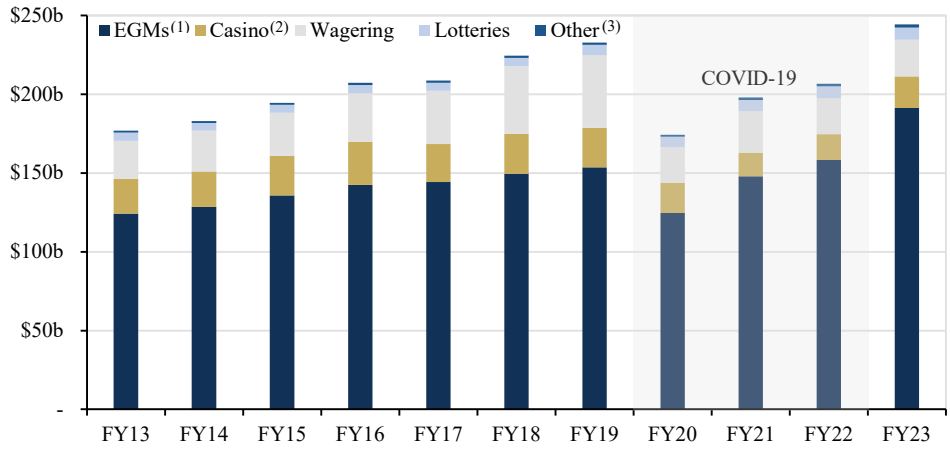
92 This section of the report provides a broad overview of the casino and gaming industry, followed by a more detailed examination of the casino segment in which RCT operates, with a particular focus on the market dynamics of Cairns.

Gambling turnover Australia

93 The turnover of the Australian gambling market, comprising land-based gambling and online / digital gambling, was estimated at some $244.3 billion in FY23[21]. Land-based gambling is a relatively mature market and has largely only grown in nominal terms (not real terms) over the past decade. In contrast, online gambling has grown rapidly due to strong growth in online betting and online casino games, a trend which is expected to continue after the segment grew by 148% year-on-year in FY23.

94 The growth in Australian turnover by product split from FY13 to FY23 is set out below:

Total Australian gambling turnover



Note:
1 Excludes casino EGM turnover.
2 Casino data includes wagers at casinos on table games, EGMs and Keno systems. Casino turnover data is unavailable for New South Wales (NSW), South Australia (SA), and Tasmania (TAS).
3 Represents turnover from online gambling, Keno, Lotteries, and Minor Gaming.
Source: Queensland Government Statistician's Office, *Australian Gambling Statistics 39th Edition,* dated September 2024.

95 Gambling turnover from electronic gaming machines (EGMs) represents 78.3% of the total gambling turnover at $191.2 billion, while casinos represent 8.3% of total gambling turnover

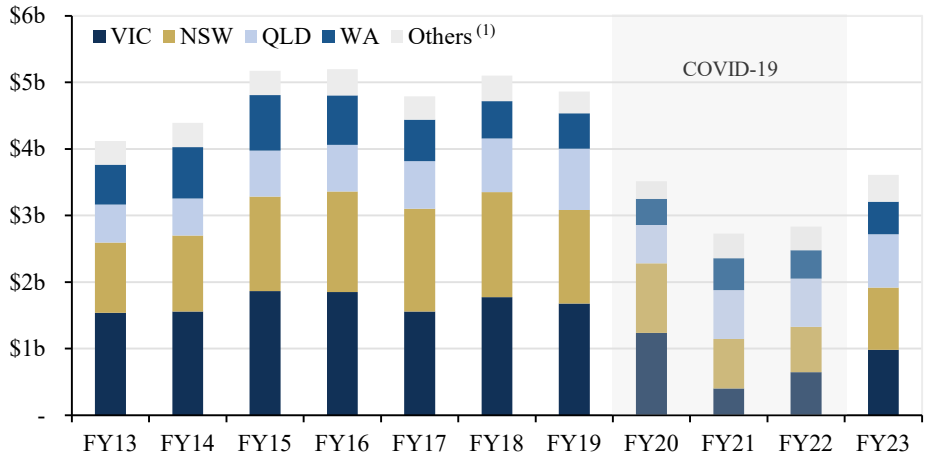
20 Colloquially known as "pokies" in Australia and "slot machines" in other geographic regions.
21 Latest available data.

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at $20.0 billion (which also includes turnover from EGMs, with most casinos in Australia deriving over 45% of turnover from EGMS and in some instances over 70%)[22].

96 The largest gambling markets are NSW, Queensland (QLD), Victoria (VIC) and Western Australia (WA), which respectively recorded turnover of $114.6, $56.5, $44.0 and $10.0 billion respectively, with these states also having the largest casino markets. Casino expenditure (being the percentage of turnover retained by casinos e.g. gross profit retained by operators) by state from FY13 to FY23 is set out below:

Total Australian casino expenditure by State



Note:
1 Represents Northern Territory (NT), Australian Capital Territory (ACT), SA and TAS.
Source: QLD Government Statistician's Office, *Australian Gambling Statistics 39th Edition,* dated September 2024.

97 Casino expenditure declined from its peak in FY16 after the international "VIP" business was curtailed due to the arrest of a dozen junket operators[23] in China for marketing casino holidays abroad, discouraging wealthy Chinese gamblers. In addition, the COVID-19 pandemic forced casinos to close for extended periods with expenditure significantly impacted and still below pre-pandemic levels.

Economic model

98 Casinos often operate an integrated model structured around the operating divisions set out below:

(a) **domestic gaming** – premium and mass market and leisure customers, and includes both table games and EGMs (referred to as "grind business")

(b) **VIP gaming** – premium gaming to high value customers (largely disappeared following Crown Resorts and The Star suspending all international rebate programs following the arrest of overseas junket operators (see paragraph 97)

(c) **non-gaming** – food and beverage, accommodation and entertainment.

22 Latest available annual reports of Crown Resorts, The Star, RCT and SkyCity.

23 An agent who markets gambling activity to wealthy overseas patrons.

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99 Patronage in the gaming areas drives food and beverage consumption, and the VIP business contributes to hotel occupancy and high end food and beverage and retail sales. Smaller casino operators tend to have fewer non-gaming facilities and in general do not have the ability to offer meaningful VIP programs.

Key market participants

100 The Australian casino industry is highly concentrated, with 14[24] casinos and 9 casino owners as set out below:

Casinos in Australia

Casino	Location	Operator	Tables	EGMs	Hotels	Rooms
The Star Sydney(1)	Sydney		174	1,490	2	612
The Star Gold Coast(2)	Gold Coast		95	1,409	3	1,163
The Star Brisbane(3)	Brisbane		150	1,602	1	340(4)
Crown Melbourne	Melbourne		540	2,628	3	1,604
Crown Perth	Perth		350	2,500	3	1,188
Crown Sydney	Sydney		226(5)	-	1	349
The Reef Hotel Casino	Cairns		38	443	1	128
SkyCity Adelaide	Adelaide		200	1,080	1	120
Mindil Beach Casino	Darwin		30+	604	1	152
Casino Canberra(6)	Canberra		30+	-	-	-
Lasseters	Alice Springs		na	400	1	205
The Ville Resort and Casino	Townsville		20+	370+	1	194
Country Club Tasmania	Launceston		15	500(7)	2	182
Wrest Point Hotel	Hobart		22	488	1	271

Note:

1 In October 2022, the NSW Independent Casino Commission suspended The Star Sydney's licence indefinitely, fined the casino $100 million and appointed a manager. The term of the manager's appointment was extended to 31 March 2026.

2 The Star Gold Coast's licence was initially suspended in December 2022 and a special manager appointed to provide independent oversight. The suspension was deferred multiples times and is currently deferred until 30 September 2025 (the special manager's term was similarly extended to 30 September 2025).

3 On 28 August 2024, the Destination Brisbane Consortium joint venture, of which The Star owns 50% (recently sold but pending completion), was issued a casino licence for The Star Brisbane. Simultaneously an external adviser was appointed by the QLD Government to The Star Entertainment Brisbane Operations Pty Ltd (casino operator for the Star Brisbane), with the term of the external adviser extending to 30 September 2025. The Star Brisbane commenced operations on 29 August 2024.

24 The NSW Independent Casino Commission suspended The Star's license in October 2024 due to compliance failures.

4 The first stage of The Star Brisbane opened on 29 August 2024, and once construction is completed it will have 900 rooms.
5 Operates 160 tables and 66 electronic tables. The Crown Sydney is not permitted to operate EGMs under its licence.
6 Not permitted to operate EGMs under its licence.
7 Represents the cap on the number it is allowed to operate.

Source: LEA analysis, QLD Government, NSW Government, NT Government, TAS Government and company filings.

101 The Star and Crown Resorts are the two largest casino operators in Australia, however the Star is currently contending with multiple licence suspensions and financial difficulties. The majority of the casinos operate as a monopoly within their respective areas with respect to domestic table game activities. However, casinos face competition from pubs and clubs in relation to EGMs[25] and the hospitality market in relation to food and beverage, hotel operations, and conferences and events.

Key drivers

102 Key drivers impacting the level of gambling spend are set out below:

(a) **macro-economic impacts** – gambling is in a general sense a discretionary expense and shifts in household disposable income and consumer confidence directly impact gambling spend

(b) **per-capita gambling expenditure** – as an extension to the above, the returns available to casino operators depend on the level of discretionary expenditure individual consumers spend on gambling

(c) **regulation** – refer to paragraph 103 below

(d) **international travel to Australia** – the relative attractiveness of Australia as a destination is a key driver of gambling spend growth in Australia. International visitor growth is driven by exchange rates, airline capacity and marketing efforts of operators and governments. In particular, high end tourist arrivals are important, because the win-rate of high stakes gamblers significantly impacts the profitability of casinos

(e) **international travel by Australians –** trips taken by Australians overseas represent domestic trips foregone and is highly influenced by the exchange rate, household disposable income and international airfare prices

(f) **online gambling** – the rapid increase in online gambling is expected to play a key role in driving gambling spend in the domestic market as players have greater flexibility in accessing games and are not restricted by geographical constraints.

Regulatory environment

103 The casino industry is tightly regulated by state and territory based regulation and whilst regulations differ by state and territory, the following measures are generally in place:

(a) **licensing and suitability** – casino licenses are issued to approved operators (that have passed (inter alia) the requisite probity requirements) and several states only have one licensed operator (e.g. VIC, SA, WA and the ACT). Applicants pay fees and must

25 Excludes WA, where Crown Perth is the only licensed operator of EGMs in the state.

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provide plans in respect of anti-money laundering and counter terrorism financing, responsible gambling and community engagement

(b) **regulatory authority** – government bodies that set standards for the operations of games, equipment, rules and operating hours as well as enforcing compliance and other laws such as ownership probity tests. These bodies include the Australian Transaction Reports and Analysis Centre (AUSTRAC), a Commonwealth Government entity that enforces the *Anti-money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and *Anti-money Laundering and Counter-Terrorism Financing Rules 2007* (Cth)

(c) **taxes** – in addition to upfront costs to obtain a licence, licensees are often subject to special casino taxes such as annual licence fees and community benefit levies. The taxes are typically determined through negotiation with the operator and vary between EGMs, table games and across states and territories

(d) **table games and EGM caps** – strict EGM and table game caps or floor space limits are in place

(e) **background checks and staffing controls** – all key person and senior management roles must be pre-approved via criminal history and financial integrity checks under the *Casino Control Act 1982* (QLD)

(f) **inspection procedures to prevent money laundering** – regulators conduct on-site inspections of casinos' anti-money laundering and counter terrorism financing programs.

104 In QLD, the Office of Liquor and Gaming Regulation oversees the regulation of gambling and liquor and ensures the objectives of the *Casino Control Act 1982 (QLD)* are enforced. The Office's priorities include implementing agreed actions from regulatory review and working with QLD casinos to ensure gambling harm minimisation programs results in safer gambling. In addition, we note the *Casino Control and Other Legislation Amendment Act 2024* (QLD) passed by the QLD Parliament increased regulatory scrutiny and required casinos to introduce specific measures to reduce gambling harm (e.g. mandating carded play with binding pre-commitment limits, enforced breaks and capping cash bets) and combat money laundering. The legislation means casinos operating in QLD will have to adopt new technologies and face increased regulatory fees and compliance costs.

Outlook

105 Australia is a mature market, with growth in gambling spend largely forecast to track the rate of inflation. Growth in tourism from increasingly wealthy Asian countries such as China is expected to benefit the industry, with Tourism Research Australia forecasting visitors to increase from 7.7 million in 2025 to 11.8 million by 2029[26]. In addition, employment growth, higher wages, tax cuts and lower inflation and interest rates support real household disposable income growth of 0.75% in FY25 and 2.25% in FY26 and FY27, increasing the level of household income available to spend on items such as discretionary gaming services. However, ongoing regulatory tightening, increased taxation, stricter licensing and advertising is expected to increase compliance costs. Importantly, there also exists the potential long-term risk posed by the continued growth of online gambling, which could gradually erode land-based casino gaming activity.

26 Tourism Research Australia, *Tourism forecasts for Australia: 2024 to 2029,* accessed 3 September 2025.

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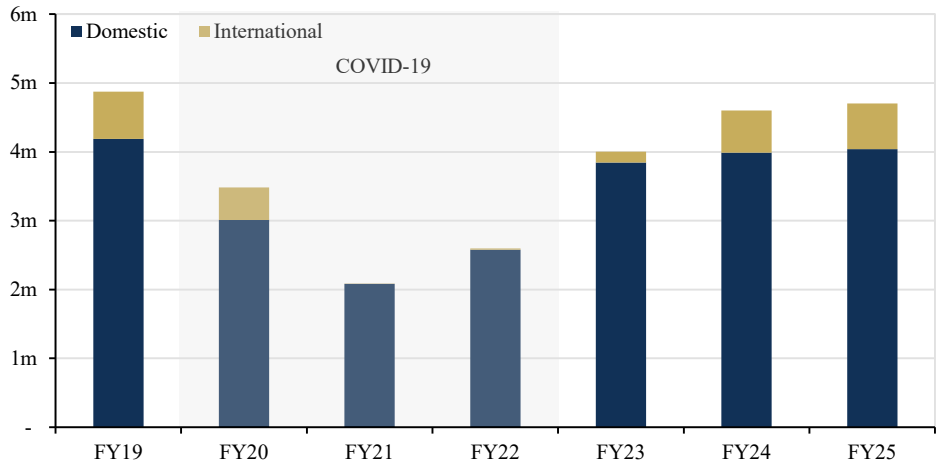
Cairns tourism and hotel industry

106 Cairns is a regional city located in North QLD, which acts as a gateway to the Great Barrier Reef. The city's economy is heavily driven by tourism, agriculture, and marine and port services. Set out below are descriptions of the Cairns tourism and hotel industry.

Tourism

107 Cairns is serviced by an international airport which processes over 4 million passengers each year, with international flights direct from New Zealand and major Asian centres such as Singapore, Hong Kong and Japan. Overnight visitors to Cairns primarily arrive by air, and as such passenger movements through Cairns airport are a key indicator of tourist numbers and more broadly the regional economy. Total passenger movements through Cairns Airport over the past six years to FY25 are set out below:

Cairns Airport – passenger movements



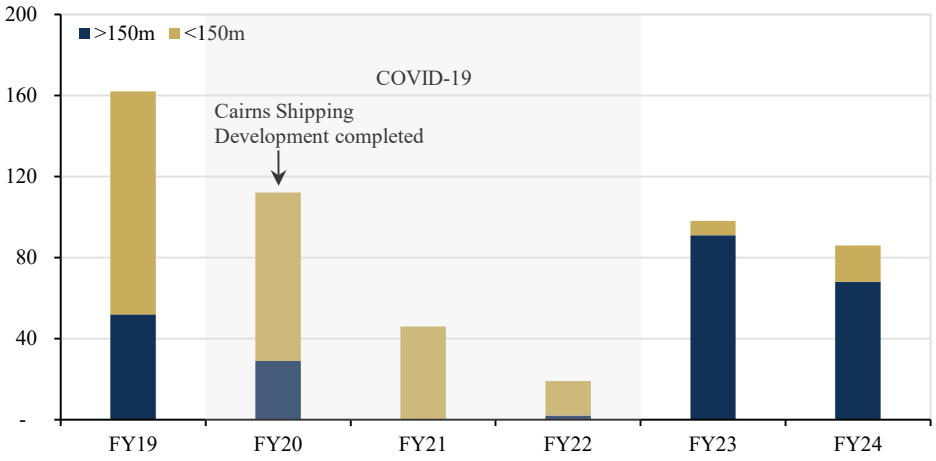
Source: Cairns Airport, *Cairns Airport financial year passenger totals,* accessed 18 July 2025.

108 COVID-19 restrictions saw total passenger volumes approximately halve from FY19 to FY21, with international arrivals all but ceasing from 20 March 2020 to 21 February 2022 due to COVID-19 international border closures. Domestic passenger numbers were also impacted due to state and federal government COVD-19 travel restrictions during this period. Although passenger numbers have since recovered, they are still marginally below pre-pandemic levels (before adjusting for population growth).

109 The cruise ship industry was similarly impacted by COVID-19 restrictions whereby the Port of Cairns experienced disruptions and cancellations. However, following the completion of the Cairns Shipping Development project in 2020 which allowed vessels of up to 300 metres to be accommodated, the first Vista Class cruise ship entered the harbour as the largest cruise ship to have ever arrived in Cairns. The number of cruise ships arriving in the Port of Cairns over 150 metres grew by 31% from FY19 to FY24 and, whilst FY24 cruise numbers were below FY23, there is forecast demand of up to 150 cruise ships by 2031[27]. Total cruise ship arrivals through the Port of Cairns over the past five years to FY24 are set out below:

27 Ports North, *Cairns Shipping Development Project*.

Cairns Port – cruise ship arrivals



Source: Ports North, *Annual Report 2023-2024*.

Hotel Industry

110 The hotel industry can be broadly categorised into the downstream, mainstream, and upscale and luxury segments. Major hotel chains through their branded offerings operate in Cairns, such as Accor, Hilton Hotels & Resorts and Shangri-La.

111 Average room rates in Cairns and Port Douglas have increased in excess of inflation from $171 in 2019 to $224 in 2024. An overall occupancy rate of 70% was experienced in FY24 which, whilst still below pre-COVID-19 levels, rose 7% over FY23[28]. However, international and domestic visitor nights for North QLD in FY24 at 17.1 million still remained below pre-pandemic levels of approximately 18.2 million recorded in FY19[29]. Average occupancy of 74% is expected in Cairns and Port Douglas over the period FY25 to FY33[30].

28 Dransfield, *Hotel Futures 2025*.

29 Tourism Tropical North Queensland, *Annual Report 2023-24*.

30 Dransfield, *Hotel Futures 2025*.

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V Valuation of 100% of RCT

Overview

112 The market value of the units in RCT has been assessed by aggregating the market value of its business operations (on a "control" basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings (or in the alternative, adding net cash).

113 The valuation of RCT's business operations has been undertaken on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length within a reasonable timeframe. The assessment of market value on a 100% controlling interest basis includes an allowance for synergy benefits that are available to the market as a whole (e.g. public company cost savings etc.) but excludes any special value that may be derived by a particular "bidder" (e.g. synergies that are not available to other bidders).

114 An overview of generally accepted valuation approaches used in the determination of market value is set out in Appendix C.

115 The capitalisation of EBITDA methodology has been adopted as our primary valuation method for RCT's business operations. Under this method the underlying EBITDA (before significant / non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business. We have adopted this method when valuing RCT's business operations because:

(a) the trust operates in a mature industry and has a well-established market position

(b) RCT has a consistent history of profitability and this is expected to be maintained with no material earnings growth anticipated in the short-to-medium term

(c) whilst the capitalisation of earnings approach capitalises earnings in perpetuity (and therefore implicitly assumes that the Casino Licence and special lease will continue indefinitely), in our opinion, the approach is not inconsistent with the fact that the special lease has a limited term. This is because the vast majority of value is represented by near term earnings, rather than distant future cash flows (noting that the special lease still has some 43 years to run) and because RCT has the opportunity to renegotiate the special lease 10 years prior to expiry which could result in an extension beyond the existing term[31]

(d) transaction evidence for the industry is generally expressed in terms of EBITDA multiples

(e) given the maturity of the market and growth outlook for RCT's operations, the application of a discounted cash flow (DCF) methodology has, in our view, relatively limited utility.

116 However, it is important to recognise that the casino industry is relatively capital intensive, and this should be considered when assessing value, particularly when comparing companies with differing capital expenditure requirements. This can be achieved by using EBIT

31 The value of RCT's operations post 2068, net of the estimated lease renewal costs in 2069, does not represent a material percentage of our assessed value.

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multiples (which allows for D&A as a proxy for capital expenditure[32]) or by applying "EBITDA – Capex" multiples (which allow for capital expenditure[33]). For the purposes of this report, we have cross-checked our assessed valuation of RCT's business operations by assessing the reasonableness of the EBIT multiples implied by our primary valuation approach.

EBITDA / EBIT for valuation purposes

117 In order to assess the appropriate level of EBITDA / EBIT for valuation purposes we have had regard to RCT's historical and forecast results, and discussed the recent financial performance, operating environment and prospects with RCT management.

118 We set out below a summary of RCT's revenue, expenses and EBITDA / EBIT for the period CY21 to CY24 and LTM25, which we have adjusted to exclude the amortisation charges associated with the site lease (i.e. special lease)[34]:

RCT – summarised financial performance[(1)(2)]	CY21 $000	CY22 $000	CY23 $000	CY24 $000	LTM25 $000
Rental income					
Casino operations	24,110	25,719	22,825	21,470	20,992
Hotel and other non-casino operations	2,651	4,628	3,106	3,768	3,922
Total rental income	26,761	30,347	25,931	25,238	24,914
Sundry income	61	85	150	121	84
Total income	26,822	30,432	26,081	25,359	24,998
Total expenses	(7,257)	(7,875)	(10,050)	(10,175)	(10,071)
EBITDA	19,565	22,557	16,031	15,184	14,927
D&A	(4,799)	(4,567)	(4,897)	(5,071)	(5,251)
Add back amortisation of site lease	707	707	706	706	707
EBIT before amortisation of site lease	15,473	18,697	11,840	10,819	10,383

Note:
1 Rounding differences may exist.
2 Summarised financial performance before non-recurring items, per paragraph 80. It should be noted that CY23 only adjusts for the costs incurred ($0.515 million) as a result of the tenant surrendering the Dome lease so necessary maintenance works could be performed. Had the lease surrender payment not been made, RCT's earnings would have been $0.9 million higher (being $0.515 million in costs avoided plus $0.385 million in rent foregone).

119 In relation to the above, we note:

(a) with the exception of CY22, when pent-up COVID-19 demand temporarily improved revenue, RCT's total reported revenue has remained relatively unchanged, particularly over the last 2.5 years

32 Albeit that D&A suffers from being "backwards looking" (i.e. represents past capital expenditure, which may not necessarily be representative of future capital expenditure).

33 Whilst these multiples reflect future estimated (as opposed to past) capital expenditure, capital expenditures can vary from year to year (i.e. exhibit a degree of volatility).

34 The lease has been prepaid for the remaining 43 year term and no ongoing rental obligations will therefore be borne by RCT. The potential costs associated with the lease renewal beyond 2068 are not considered material to the valuation.

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(b) despite revenue remaining relatively flat, the operating expenses for the Complex (e.g. property outgoings, insurance etc.) have continued to increase as a result of the recent high inflation environment, and negatively impacted earnings

(c) the Complex's operations continue to be affected by inflation, high interest rates and reduced levels of international visitation to Cairns compared to pre-pandemic levels. Airline capacity to the region continues to increase and the cruise ship market in Cairns has shown signs of growth. The international tourist market is recovering, particularly the Chinese market, although slowly. In addition, heightened regulatory oversight will continue will require ongoing increases in resourcing

(d) the previously leased car park (the lease for which expired in early 2025 and was not renewed) contributed only a relatively small amount to RCT's net earnings

(e) we have been provided with the CY25 budget prepared by RCT / CAIC management. Whilst the individual components of the CY25 budget are commercially sensitive and have not been disclosed in the report we note the budgeted EBITDA is broadly in line with CY24

(f) the level of D&A (excluding amortisation on the site lease) noting that RCT's operational capital expenditure is, on average, significantly lower than its reported D&A (excluding the site lease)[35].

120 Having regard to the above and in particular, management's budgeted EBITDA for CY25, we have adopted EBITDA and EBIT (pre amortisation of the site lease) for valuation purposes of $15.3 million and $10.5 million respectively.

EBITDA multiple

121 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

- The stability and quality of earnings
- The quality of the management and the likely continuity of management
- The nature and size of the business
- The spread and financial standing of customers
- The financial structure of the company and gearing level
- The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors
- The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors
- The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc
- The cyclical nature of the industry
- Expected changes in interest rates
- The asset backing of the underlying business of the company and the quality of the assets
- The extent to which a premium for control is appropriate
- Whether the assessment is consistent with historical and prospective earnings

35 While capital expenditure has more closely aligned with D&A in recent periods, it is expected to return to historical averages over time.

122 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for RCT.

Listed entity multiples

123 Whilst there are a number of casino operators in Australia (refer to paragraph 100), only The Star and SkyCity are listed on the ASX. Whilst operating in similar jurisdictions as RCT, The Star has suffered multiple licence suspensions and is facing significant ongoing financial difficulty and has therefore been excluded from our analysis.

124 Although differences in regulation of international markets make comparison with international casino operators difficult, given the limited trading evidence in Australia, we have also considered United States of America (US) / Canadian securities exchange listed casino operators[36] with market capitalisations of A$1 billion or less.

125 Large US and Macau based operators (such as Caesars Entertainment and MGM Resorts International) were not considered as they run a portfolio of premium, integrated resorts in major international casino precincts such as the Las Vegas Strip, Singapore and Macau. Additionally, many large operators, such as Bally's Corporation and PENN Entertainment, have significant exposure to online gaming, which further limits their comparability.

126 The following table summarises the EBITDA and EBIT multiples of listed casino operators in Australia / New Zealand and in the US / Canada:

Listed company multiples[1][2]

				EV / EBITDA[5]			EV / EBIT[5]		
Company	Year end	EV[3] A$m	Gearing[4] %	FY24 x	FY25 x	FY26 x	FY24 x	FY25 x	FY26 x
RCT	Dec	133	(2.4)	8.8	na	na	12.3[6]	na	na
SkyCity	Jun	1,120	42.6	4.8	5.8	7.1	7.1	9.6	14.0
Full House Resorts	Dec	847	78.5	11.4	10.9	8.2	85.4	63.9	21.4
Century Casinos	Dec	628	81.6	12.0	9.3	7.1	nm	nm	51.2
Gamehost	Dec	289	7.7	8.5	8.0	8.1	9.5	8.9	9.1

Note:
1 A brief description of each company's operations is set out at Appendix D.
2 Enterprise value (EV) and earnings multiples as at 25 September 2025, based upon latest available information. RCT as at 25 February 2025 (being the last trading day prior to announcement of the receipt of the initial non-binding Proposal from Iris).
3 EV includes net debt (interest bearing liabilities less non-restricted cash, net derivative liabilities, market capitalisation adjusted for material option dilution (for the purpose of reducing debt)) and excludes surplus assets. For the avoidance of doubt, where applicable, net debt excludes IFRS / AASB 16 lease liabilities. Foreign currencies have been converted to AUD at the exchange rate prevailing as at 25 September 2025.
4 Gearing equals net debt divided by EV.
5 FY24 reflects historical earnings for all companies. FY25 and FY26 are based on forecast earnings, except for SkyCity, where FY25 reflects historical earnings due to its 30 June year end. Forecasts are based on FactSet broker average forecasts (excluding outliers and outdated forecasts).
6 EBIT has been adjusted to exclude amortisation on the site lease (i.e. special lease).
na – not available. nm – not meaningful.
Source: FactSet, company announcements and LEA analysis.

36 These geographic regions share broadly similar cultural and economic characteristics with Australia and casinos in these regions, like those in Australia, derive a substantial portion of their revenue from EGMs.

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127 The above multiples are based on the listed market price of each company's shares, and therefore exclude a premium for control. Empirical evidence from research undertaken in the US[37] indicates that the average premium paid above the listed market price in successful takeovers (i.e. control premium) is around 30% (assuming the pre-bid market price does not reflect any speculation of the takeover). This is not inconsistent with empirical research undertaken by LEA which indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). The premiums broadly translate to a premium of 20% to 25% at the EBITDA multiple or EV level, although this varies depending on the level of debt funding employed in each company (the greater the level of debt, the lower the premium and vice versa).

128 In addition, we note that:

(a) the companies operate under different regulatory frameworks, which vary significantly by country and state. For example Gamehost, located in Alberta, Canada, does not own its gaming licenses, which are instead owned by the Alberta Gaming, Liquor & Cannabis Commission (AGLC). Additionally, all EGMs in Gamehost casinos are fully owned and controlled by the AGLC

(b) there is considerable variation in scale and geographic footprint. RCT operates a single casino and hotel in Cairns, North QLD, relying primarily on patronage from local and domestic visitors, whereas companies such as SkyCity have multiple casinos across Australia and New Zealand. Consequently, each operator is exposed to different macroeconomic conditions and location-specific operating environments, with varying levels of reliance on local, interstate and international guests

(c) while the companies listed above generally own the majority of the properties they operate, there are varying degrees of ownership and external leasing across the portfolios. For example, Full House Resorts leases the land on which its Silver Slipper Casino operates, while SkyCity owns the casino properties but leases the site of its Adelaide casino and related car park. Additionally, Century Casinos has a sale and lease back agreement in place for three of its properties. These differing lease arrangements contribute to variations in cost structures between operators

(d) although all the companies operate casinos, the proportion of revenue from gaming versus other sources such as hotels, food, and beverage varies between the companies. For example, RCT, Full House Resorts and Century Casinos derive approximately 70% to 75% of their revenue from gaming operations. In contrast, Gamehost generates less than 60% from gaming, with a greater proportion from non-gaming services such as accommodation and hospitality. In addition, some of the companies are exposed to the growing area of online gambling

(e) the SkyCity multiple is significantly lower than the other companies, reflecting the $67 million in penalties imposed upon it from breaches of anti-money laundering and counter terrorism financing laws identified by AUSTRAC and the New Zealand Department of Internal Affairs. In addition, SkyCity has also commenced a three year risk transformation program, with an estimated cost of $60 million

37 For example, FactSet Mergerstat / BVR Control Premium Study.

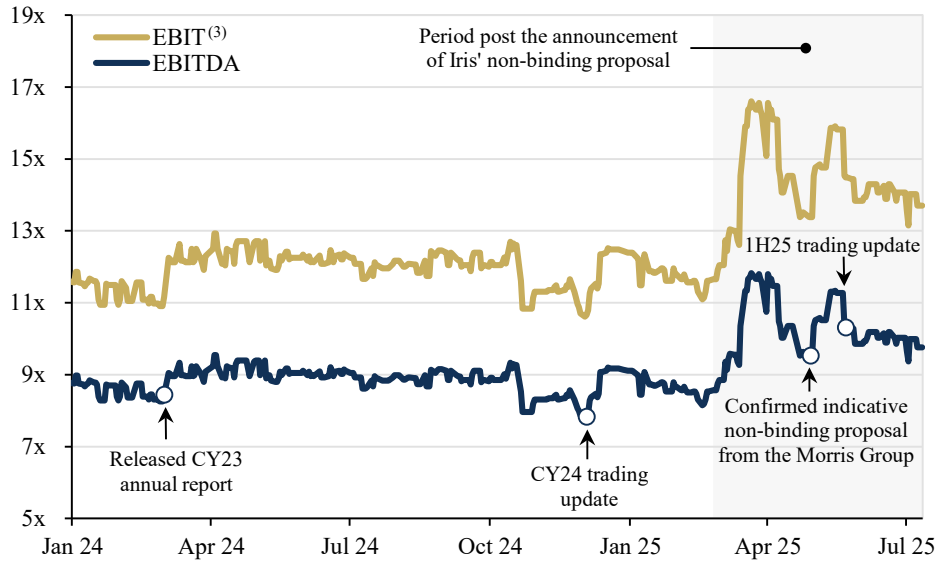
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(f) the multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time.

RCT's multiples over time

129 In the absence of company guidance and broker forecasts, we set out below RCT's trailing 12 month earnings multiples from 1 January 2024 to 11 July 2025 (being the last trading day prior to the announcement of the Offer):

RCT – trailing EBITDA and EBIT multiples over time
1 January 2024 to 11 July 2025[1][2]



Note:
1 EV is equal to market capitalisation based upon closing prices plus net debt.
2 Trailing 12 month earnings multiples calculated as EV divided by last 12 month earnings derived from RCT's half yearly and annual financial information.
3 EBIT has been adjusted to exclude amortisation on the site lease (i.e. special lease).
Source: FactSet, RCT half yearly and annual reports and LEA analysis.

130 In respect of the above, we note that:

(a) prior to the announcement of the receipt of the initial non-binding Proposal from Iris, RCT generally traded around 8 times to 9 times EBITDA, while its EBIT multiple was around 11 times to 12 times

(b) the earnings multiples are based upon the listed market price of RCT's units, and therefore exclude a premium for control. The application of a theoretical control premium of 32.5% would increase the observed trailing EBITDA multiple range to 11 times to 12 times and the EBIT multiple range to approximately 15 times to 17 times.

Aquis offer for RCT in 2013

131 Evidence from arm's length transactions concerning the subject business often provide the most reliable indication of value (assuming no material intervening events have occurred, either in respect of the subject business or the wider economic environment). These transactions may be particularly relevant in circumstances where there are relatively limited

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directly comparable companies to the subject business from which multiples can be derived, such as in the case of RCT.

132 In this respect, we note that on 13 November 2013, RCT announced it had received a non-binding indicative proposal from Aquis to acquire all units in RCT for a cash consideration of $4.354 per unit (Aquis Offer). The Aquis Offer was conditional on several factors, including the receipt of QLD gaming regulatory approvals. As the conditions were not satisfied, the offer lapsed on 28 November 2014, and all acceptances received were subsequently cancelled. However, the Aquis Offer was recommended by the directors of RCT, the independent expert assessed it as being fair and reasonable to RCT unitholders, and Aquis received acceptances in respect of over 82% of the units in RCT[38].

133 The cash consideration of $4.354 per unit represented a premium to the market prices of RCT units (as traded on the ASX) for periods up to and including 12 November 2013 (being the last trading day prior to the announcement of the offer):

Aquis Offer – implied control premium relative to RCT unit prices

	RCT unit price A$	Implied control premium %
Closing unit price on 12 November 2013(1)	2.84	53.3
1 month VWAP(2) to 12 November 2013(1)	2.67	63.1
3 month VWAP to 12 November 2013(1)	2.66	63.7

Note:
1 Being the last trading day prior to the announcement of the offer.
2 Volume weighted average price (VWAP).
Source: RCT Target's Statement, released 25 March 2014.

134 Having regard to the above, the Aquis Offer price of $4.354 per unit reflected a premium above observed premiums generally paid in comparable circumstances. As such, the Aquis Offer represented a controlling interest value.

135 The following EBITDA and EBIT multiples were implied by the Aquis Offer:

Aquis Offer – implied EBITDA and EBIT multiples(1)

	$000
Offer price per unit ($)	4.354
Units on issue (000s)	49,801
Implied value of 100% of equity	216,834
Add net debt (total debt $5.6 million, less cash of $4.9 million)(2)	700
EV	217,534
EBITDA for CY13	18,835
EBIT for CY13 (adjusted to exclude amortisation of site lease)	15,058
Implied EBITDA multiple (times)(3)	11.5
Implied EBIT multiple (times)	14.4

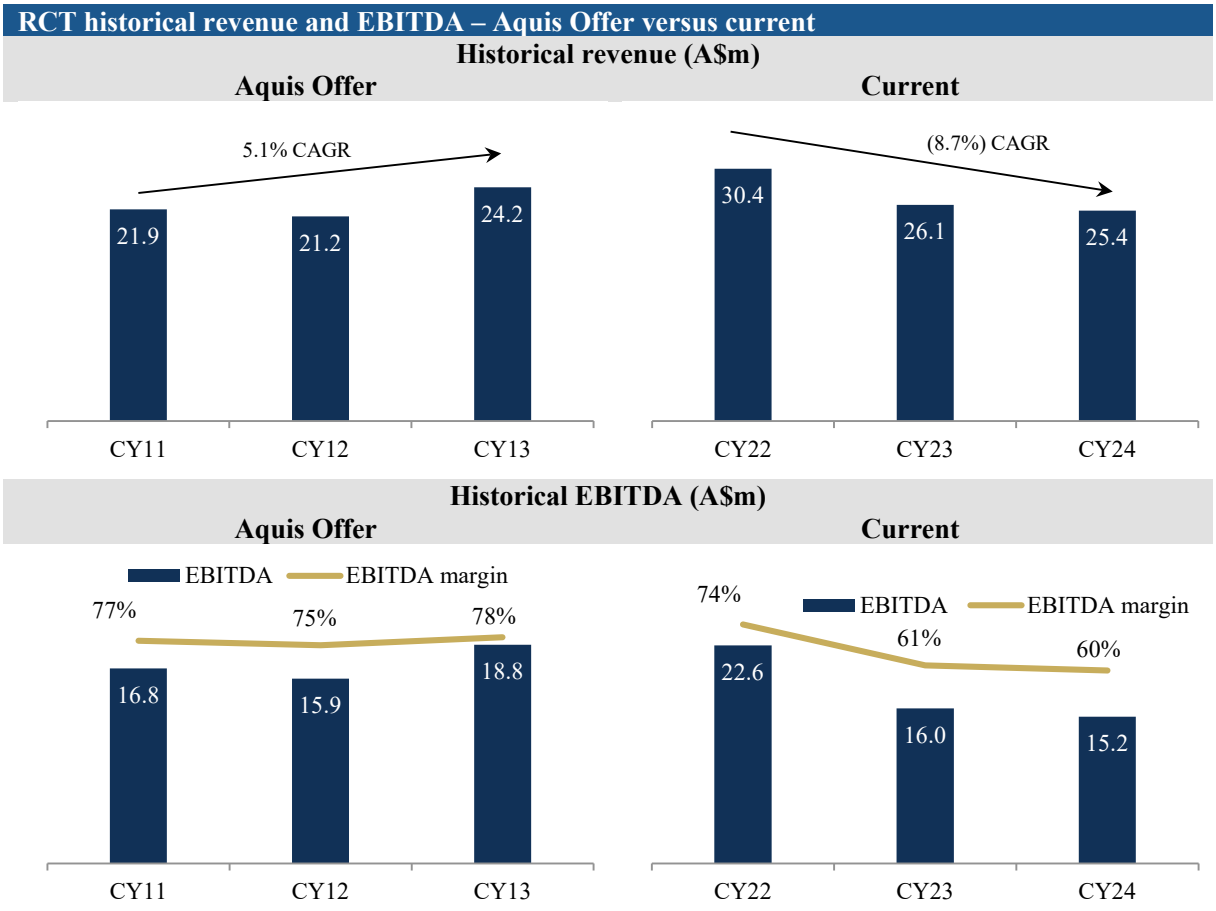
38 RCT ASX announcement, *Change in substantial holdings*, dated 4 November 2014.

Note:
1 Rounding differences may exist.
2 Management advised the independent expert that opined upon the transaction that $1.0 million of the $5.9 million cash balance was required for operational purposes with the remaining $4.9 million being accumulated for distributions and surplus to requirements.
3 The implied multiple based upon the independent expert's assessment of maintainable EBITDA ($19 million) was 11.4 times.

Source: RCT Target's Statement, released 25 March 2014.

136 In considering the relevance of this transaction to the current valuation, we note that at the time of the Aquis Offer, RCT was generating higher revenue (in real terms) from the Casino, Hotel and other facilities including the nightclub and restaurants[39] and had experienced significantly higher revenue growth and EBITDA margins than the levels currently being achieved (we also note the special lease had an additional 10 years further to run in CY13):

RCT historical revenue and EBITDA – Aquis Offer versus current



Source: FactSet analysts' forecasts, company announcements and LEA analysis.

137 In addition to reviewing the earnings above, LEA has also considered a range of other key economic metrics to provide a more complete comparison between the current operating status of RCT and that which prevailed at the time of the Aquis Offer:

39 Which were more fully utilised than is currently the case.

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Key Metrics – Aquis Offer versus current				
	Unit	CY13	CY24[1]	% change
Operating metrics				
Casino visitations	m	1.06	0.91	(14.1)
Occupancy rate	%	81.8%	79.7%	(2.6)
Average room rate	$	169.9	268.1	57.8
Cairns economic data				
Cairns population	000	153.2	174.3	13.8
Cairns airport passenger movements[2]	000	4,156	4,368	5.1
Cairns cruise ship arrivals[2][3]	#	121	86	(28.8)

Note:
1 Being the most recent full financial year preceding the Offer.
2 Reported on a financial year end basis (e.g. 30 June).
3 CY13 comprises 27 international cruise ships and 94 domestic cruise ships (which tend to be smaller). In FY23, Ports North's reporting of cruise ship categories changed to report by ship size, with FY24 recording 18 cruise ships under 150 metres and 68 cruise ships over 150 metres.

Source: FactSet, Australian Bureau of Statistics, Cairns Airport Passenger Statistics and Ports North FY18 and FY24 Annual Reports.

138 Despite an increase in the Cairns population and airport passenger movements, casino visitations have declined. Furthermore, the macroeconomic environment at the time of the Aquis Offer differs from current conditions, particularly in relation to interest rates, which are now higher. As a general principle, higher interest rates tend to exert downward pressure on company valuations, all else being equal.

Other transaction evidence

139 There have been few recent casino transactions in Australia / New Zealand, reflecting the strict regulatory framework governing casino ownership. The most recent transaction was in 2022, when Iris Capital Limited acquired Casino Canberra. While LEA would normally focus on more contemporaneous transaction evidence (i.e. within the past 5-10 years), given the limited availability of evidence in this circumstance, we have also considered transactions dating back to 1998 involving both single-site casino resorts and portfolios of large integrated casino resorts in Australia / New Zealand.

140 A summary of the identified transactions from which valuation multiples can be derived is set out below (for descriptions of the transactions refer to Appendix E)[40]:

40 We note that the June 2025 shareholder approved transaction involving the issue of convertible notes in The Star did not constitute an offer for The Star, or any of its casino assets, and therefore no meaningful implied multiple can be derived, particularly given the significant operational uncertainty surrounding many of its assets. Similarly, the August 2025 announced sale of The Star's 50% interest in the Destination Brisbane Consortium (owner of The Star Brisbane), was part of a bundled transaction involving multiple assets and various forms of consideration. Given this and that The Star Brisbane is still ramping-up, no meaningful implied multiple can be determined.

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Transaction evidence – casino resorts

Date[1]	Target	Acquirer	EV[2] A$m	EV / EBITDA[3] x	EV / EBIT x
Single casino resorts					
May 22	Casino Canberra	Iris Capital	63[4]	7.6H[5]	9.6H
Apr 21	Lasseters Hotel Casino	Iris Capital	105	9.9H[6]	28.4H
Nov 18	SkyCity Darwin	Delaware North	188	7.5H[7]	9.8H
Jan 14	Jupiters Townsville	Colonial Leisure	70	10.0H[8]	na
Dec 12	Christchurch Casino	SkyCity	160	28.6H	na
Apr 04	Burswood	PBL	869	9.5F[9]	13.3F
Feb 04	MGM Grand Darwin Casino	SkyCity	195	8.9F[10]	na
Feb 00	Adelaide Casino	SkyCity	180	8.9H	na
Apr 99	Star City	Tabcorp	1,625	10.5F[9]	16.8F
Dec 98	Crown (Melbourne)	PBL	1,828	9.1F[9]	17.1F
Portfolio of integrated casino resorts					
Nov 21	Crown Resorts	Blackstone	9,257	11.5H[6]	16.2H
Mar 03	Jupiters	Tabcorp	1,659	9.3F[9]	13.4F

Note:

1 Date of announcement.
2 Implied value of an acquisition of 100% if transaction does not already involve an acquisition of 100%. Foreign currencies have been converted to AUD at the exchange rate prevailing as at the date of announcement.
3 On a pre-AASB 16 basis, noting the majority of the single casino resorts operate from owned premises and do not incur any rent.
4 On a debt and cash free basis with the requirement that at least $3 million in cash must be held to meet casino regulatory requirements.
5 Based on annualised EBITDA and EBIT for the six months ended 30 June 2022. The EBITDA and EBIT multiples based on the full year to 30 June 2022 were 11.6 times and 17.5 times respectively. However, Casino Canberra was closed for approximately for 2.5 months (12 August 2021 to 28 October 2021) due to COVID-19 restrictions.
6 Due to the impact of COVID-19, EBITDA and EBIT for FY19 has been used as a proxy to calculate an undisturbed multiple.
7 Based on annualised EBITDA and EBIT for the period 1 July 2018 to 4 April 2019 (NZ$20.4 million and NZ$15.7 million respectively).
8 EBITDA includes a notional corporate cost allocation. Excluding the corporate cost allocation the EBITDA multiple would be 8.0 times.
9 Based on future maintainable EBITDA and EBIT.
10 EBITDA has been adjusted to reflect expected future tax rebates.

na – not available, F – forecast, H – historic.

Source: Company announcements, press commentary and LEA analysis.

141 In relation to the transaction evidence, we note that:

(a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control

(b) although the transactions span an extended period, the observed multiples have remained relatively consistent across several business cycles. However, the earlier transaction multiples, whilst instructive, should be treated with caution as they occurred when the casino industry in Australia and New Zealand was still being established and was at the time subject to different risks and market conditions

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(c) the transactions occur across multiple states and countries (in Australia / New Zealand), which have varying gambling regulatory environments and enforcement bodies

(d) the acquisition of Crown Resorts in 2021 is the only large scale contemporaneous transaction. The higher multiple paid reflects Crown's position as Australia's largest luxury / premium focused casino resort operator, with a portfolio of three premium resorts in Sydney, Melbourne and Perth. Notably, the Crown Sydney Casino only offers table games[41], while the Crown Perth Casino is the only venue in WA permitted to operate EGMs. The transaction also occurred amid COVID-19 related closures and travel restrictions, heightened uncertainty regarding the future of the VIP market (a key earnings driver prior to COVID-19) and potential threat of AUSTRAC penalties

(e) RCT operates a single casino in the Cairns market, with smaller and less diversified operations than large casino resorts such as Burswood and The Star or portfolios of casino resorts such as Crown and Jupiters. In this regard, we note that all else being equal, smaller companies generally transact on lower multiples than larger companies

(f) we consider single casino operators located outside the major metropolitan centres of Sydney, Melbourne and Brisbane to be more relevant for the purposes of determining the value of RCT. The EV / EBITDA evidence for these transactions ranges between 7.5 times and 10.5 times with a mean and median of 9.1 times (excluding Christchurch Casino which is considered an outlier). In particular, we note the following:

  (i) SkyCity Darwin is considered the most comparable to RCT as a whole, with a similar number of tables, EGMs and hotel rooms. Darwin is also broadly comparable to Cairns, with both cities being tourist destinations in Northern Australia and each serviced by an international airport

  (ii) Casino Canberra is the most contemporaneous transaction and involved the same bidder as the Offer (i.e. Iris)

  (iii) Lasseters Hotel Casino was also acquired by Iris. The casino is located in Alice Springs, a town with a significantly smaller population, lower volumes of tourists, and a different regulatory jurisdiction to RCT. Following the acquisition, Iris announced a $70 million expansion in April 2022, which included adding a rooftop bar and large swimming pool to the existing site as well as nearly doubling the number of rooms[42]

  (iv) Jupiters Townsville (now known as the Ville) has a comparable geographic profile to RCT and operates under the same QLD government regulatory framework, in a city of similar size that also benefits from tourism-driven demand

  (v) the Christchurch Casino transaction took place shortly after a magnitude 6.3 earthquake hit Christchurch on 22 February 2011, causing over NZ$40 billion in estimated economic damages[43]. The financial performance of the casino, together with the broader local economy, was severely affected and resulted in a NZ$15.0 million impairment being recognised in FY11. In particular, management indicated that earnings were not expected to return to pre-earthquake

41 The Crown Sydney is not permitted to operate EGMs under its licence.

42 ABC News, *Alice Springs' Lasseters Hotel Casino set for$70 million expansion*, dated 4 April 2022.

43 Insurance Council of New Zealand, *Canterbury Earthquakes*, accessed 31 August 2025, https://www.icnz.org.nz/industry/canterbury-Earthquakes

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levels (FY10) until 2014. We therefore consider the transaction to be an outlier and not relevant for the purposes of determining the value of RCT

(vi) the majority of the single casino resorts operate from owned premises and do not incur any rent.

142 In addition, we note with the exception of Crown in 2021, transactions involving large casino resorts occurred between 1998 and 2004. The transactions were driven by the consolidation strategy of Tabcorp Holdings Ltd (Tabcorp) and Publishing and Broadcasting Ltd (PBL) set out below:

(a) PBL, a pure-play media company in Australia, pivoted from its television and print business into casinos through the acquisition of:

(i) Crown Melbourne, which was acquired a little over a year after it opened in May 1997, against the backdrop of the Asian economic crisis and subsequent reduction in international guests, with increasing losses resulting in it struggling to service its high debt burden

(ii) the Burswood Casino (renamed Crown Perth), whilst smaller than Crown Melbourne, was the owner-operator of WA's only licensed casino

(b) Tabcorp, a diversified gaming company in Australia with operations spanning wagering, sports betting, EGMs and gaming, expanded into casinos through the acquisition of:

(i) Star City, which owned the Star City resort (now The Star Sydney), the only casino in Sydney (with exclusivity through to 2019) and the second largest casino in the country at the time. Additionally, new tax arrangements approved by the NSW Government allowed Star City to enter the international VIP market, which was expected to bolster earnings

(ii) Jupiters, a multi-casino hotel operator which owned casino resorts in Brisbane (supported by a 10-year exclusivity agreement), the Gold Coast and Townsville as well as EGM monitoring operations across QLD and NSW. Potential cost synergies from the transaction were limited by outsourced casino management, while flexibility to rebrand the resorts was also constrained.

Potential synergies

143 Iris has not provided any specific guidance on the level of synergies it expects to realise from the acquisition of RCT. However, if the Offer is successful, RCT will be delisted from the ASX, resulting in the elimination of listed public entity costs (e.g. director fees, listing fees, share registry fees, shareholder communication costs etc.). Given that Iris also operates in the casino and hospitality industry it may also generate additional synergies by integrating RCT, in some capacity, with its existing operations.

144 However, we note that the existence of public entity cost savings as well as other cost (and revenue) synergies that arise from acquisitions / privatisations are one of the key reasons why bidders pay a premium to acquire a company.

145 Accordingly, in our opinion, it is inappropriate (in the circumstances of RCT) to incorporate a separate value for synergies over and above that implicitly reflected in the controlling interest multiple applied[44].

Other factors

146 In assessing the appropriate EBITDA multiple for RCT we have also had regard to the following factors, among others:

(a) the level of EBITDA we have adopted for valuation purposes (noting that this level of earnings reflects the operations of RCT on an "as is" basis)

(b) the ability of a purchaser to redevelop and utilise the latent capacity of the Complex (e.g. the nightclub area, rooftop etc. and to update restaurant and/or bar offerings)

(c) the future capital expenditure requirements of RCT (noting that we have included a separate allowance for one-off near-term capital expenditure under "other assets / (liabilities)")

(d) the mature and highly competitive casino market in which RCT operates and the relatively limited opportunities for growth

(e) the highly regulated nature of the casino industry, with ongoing regulatory tightening, increased taxation, stricter licensing and advertising requirements expected to increase compliance costs

(f) the expected growth in population the Cairns area (noting that by 2050 it is predicted that the Cairns population will be circa 240,000)

(g) the ongoing recovery of the Cairns tourism market to pre-pandemic levels, with further growth expected in airport passenger movements and cruise ship arrivals

(h) RCT's limited exposure to the fast growing online / digital segment of the gaming industry, which generates very high margins

(i) the volatile state of the global economy and general uncertainty surrounding forecast economic conditions and interest rates, which may impact RCT's operations.

Conclusion on appropriate EBITDA multiple adopted for valuation purposes

147 Having regard to the above (and our EBIT multiple cross-check below), in our opinion, an EBITDA multiple range of 11.0 times to 12.0 times is appropriate when applied to the EBITDA that has been adopted for valuation purposes. The adopted range:

(a) at the high end, slightly above the EBITDA multiple implied by the Aquis Offer in 2013 which reflects the opportunities available to a potential purchaser to redevelop and utilise the latent capacity at the Complex and generate additional earnings. The low end of the adopted range reflects the deterioration that has occurred in RCT's operating performance (particularly the EBITDA margin) since 2013, the reduction of 10 years of the lease term and the less favourable outlook than that which existed at the time of the Aquis Offer

(b) lies at the upper end of the range of transaction evidence concerning single casino operators. The EV / EBITDA evidence for these transactions ranges between 7.5 times

44 Noting that any special value that may be derived by a particular "bidder" should not be taken into account (e.g. synergies that are not available to other bidders).

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and 10.5 times with a mean and median of 9.1 times (excluding Christchurch Casino which is considered an outlier)

(c) is broadly consistent with the trailing EBITDA multiples upon which RCT traded prior to the announcement of the receipt of the initial non-binding Proposal from Iris, which ranged between 11 times to 12 times (when adjusted for a theoretical control premium). However, given the relatively modest turnover in RCT units, this trading evidence should be treated with a degree of caution.

Value of the RCT business

148 Based upon the above, we have assessed the value of the RCT business on a cash and debt free basis as follows:

RCT – enterprise value (or value of business on cash and debt fee basis)			
	Paragraph	Low $m	High $m
EBITDA for valuation purposes	120	15.3	15.3
EBITDA multiple (times)	147	11.0	12.0
Enterprise value		168.3	183.6

Valuation cross-checks

EBIT multiple cross-check

149 We have cross-checked our valuation of RCT's business operations for reasonableness by reference to the capitalisation of EBIT approach. We have done so because as noted above at paragraph 116, it is important to recognise that the casino industry is relatively capital intensive, and this should be considered when assessing value, particularly when comparing companies with differing capital expenditure requirements and in different stages of their capex lifecycle. The EBIT multiple approach reflects the differing levels of capital intensity that exist between businesses in the denominator (by deducting D&A from EBITDA as a proxy for capex) and therefore the resultant implied multiples theoretically provide a more meaningful basis of comparison.

150 The EBIT multiples implied by our assessed value range are shown below:

RCT – implied EBIT multiples			
	Paragraph	Low $m	High $m
Enterprise value	148	168.3	183.6
EBIT adopted for valuation purposes	120	10.5	10.5
Implied EBIT multiple (times)		16.0	17.5

151 The EBIT multiple implied by the Aquis Offer approximated 14.4 times (refer paragraph 135). While the multiples implied by our valuation range are higher, this reflects RCT's significantly increased D&A expense (excluding the site lease) relative to 2014, which is largely driven by one-off capital expenditure projects[45]. Adjusting for this impact would

45 EBIT represented some 80% of EBITDA in 2014, whereas the ratio is now closer to 70%.

result in implied EBIT multiples from our valuation that are more closely aligned with those implied by the Aquis Offer.

152 Comparable EV / EBIT multiples from transactions involving single casino operators range between 9.6 times and 17.1 times with a mean and median of 13.3 times (excluding Lasseters Hotel Casino which is considered an outlier). The multiples from our valuation range fall toward the higher end of this range. However, RCT's operational capital expenditure is, on average, significantly lower than its reported D&A (excluding the site lease)[46]. If EBIT were adjusted to reflect this difference, the implied multiples would be more consistent with the transaction evidence.

153 In addition, the implied multiples lie within the range of trailing EBIT multiples upon which RCT traded prior to the announcement of the receipt of the initial non-binding Proposal from Iris, being 15 times to 17 times (when adjusted for a theoretical control premium).

154 Having regard to the above, we consider the EBIT multiples implied by our assessed value of RCT to be reasonable.

CBRE valuation (December 2023)

155 As noted in paragraph 82(b), RCT is required to obtain an independent valuation of the Complex at least once every three years. The most recent independent valuation of RCT's interest in the Complex was carried out by CBRE as at 31 December 2023. The Complex was valued at $161.0 million.

156 We note however, that the earnings generated by RCT have marginally declined since the CBRE valuation (EBITDA for CY23 approximated $15.9 million, whereas EBTIDA for LTM25 was some $14.9 million). RCT's enterprise value has also reduced from around $159 million as at 31 December 2023 to approximately $134 million by 25 February 2025[47]. All else being equal, this would likely exert downward pressure on CBRE's valuation, although other factors may exist that offset this effect. Accordingly, while CBRE's December 2023 valuation is not inconsistent with our current assessment, if they were to update their valuation to September 2025, the result may differ, though the direction and magnitude of any change are uncertain.

Other assets / (liabilities)

157 We have considered whether RCT has any other assets / (liabilities) that are not reflected in our assessed enterprise / business value (or within our assessed net cash as at 30 June 2025) and for which an appropriate allowance should be made. None were identified aside from the one-off near-term capital expenditure requirements outlined below.

158 RCT is expected to incur one-off building remediation costs in the fourth quarter of CY25 and during CY26. While the exact timing and quantum of these costs are uncertain, they are

46 While capital expenditure has more closely aligned with D&A in recent periods, it is expected to return to historical averages over time.

47 Market capitalisation and EV based on closing prices and latest available financial information at the respective dates. EV includes net cash (interest bearing liabilities less non-restricted cash ($1.0 million in cash is assumed to be required for operational purposes)). For the avoidance of doubt, net debt excludes AASB 16 lease liabilities.

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currently estimated to be in the order of $9.5 million. For the purposes of our report, we have included post-tax present value allowance of approximately $5.3 million[48].

Net cash / (debt)

159 As at 30 June 2025, RCT had net debt of $0.2 million, comprising cash of approximately $1.8 million and borrowings of $2.0 million (refer paragraph 81). Since then, RCT has generated additional cash but also paid a distribution of 6.63 cents per unit (some $3.3 million in aggregate) on 10 September 2025.

160 After accounting for the movement in net cash since 30 June 2025, and recognising that a portion of the remaining cash balance is required for working capital purposes, we have concluded that net debt of $1.5 million is appropriate for valuation purposes.

Units outstanding

161 RCT has 49.8 million fully paid ordinary units on issue (including the 740,000 founder units held by CAIL and Accor). There are no other securities on issue.

Valuation summary

162 Given the above, we have assessed the value of RCT units on a 100% controlling interest basis at $3.24 to $3.55 per unit, as shown below:

RCT – valuation summary[(1)]

	Paragraph	Low $m	High $m
Enterprise value	148	168.3	183.6
Other assets / (liabilities)	158	(5.3)	(5.3)
Net debt	160	(1.5)	(1.5)
Equity value – controlling interest basis		161.5	176.8
Fully diluted units on issue (millions)[(2)]	161	49.8	49.8
RCT value per unit – controlling interest basis ($)		3.24	3.55

Note:
1 Rounding differences may exist.
2 Fully paid ordinary units on issue including the 740,000 founder units held by CAIL and Accor.

Comparison with listed market price

163 We have considered the listed market prices of RCT units up to and including 25 February 2025 (being the last trading day prior to the announcement of the receipt of the initial non-binding Proposal from Iris). These market prices are shown below:

RCT – unit prices prior to the announcement of Iris' initial Proposal

Trading period	Low $	High $	Close $	VWAP $
25 February 2025[(1)]	2.73	2.73	2.73	2.73
1 month to 25 February 2025	2.60	2.89	2.73	2.73
3 months to 25 February 2025	2.48	2.93	2.73	2.69

48 Having regard to RCT's most recently disclosed pre-tax impairment discount rate of 10.75% in CY20 and the pre-tax discount rate adopted by CBRE as at 31 December 23.

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Note:
1 RCT was placed in a trading halt late on 25 February 2025, with no trades executed beforehand.
Source: FactSet.

164 As noted at paragraph 90, turnover in RCT units (on an annualised basis) has been relatively modest over the observed periods, as has the aggregate value of the shares traded ($0.34 million and $0.92 million over the one and three months prior to the announcement of the receipt of the initial non-binding Proposal from Iris). Accordingly, in our view, the unit trading evidence should be treated with some degree of caution. Notwithstanding this, we note that RCT units have traded in a relatively consistent band over the observed period. Given this, we have adopted an "undisturbed" unit price for RCT of $2.75 for the purposes of our comparison.

165 Although the S&P/ASX All Ordinaries Index has increased by approximately 6.7% between 25 February 2025 and 25 September 2025, there can be no guarantee that, in the absence of the Offer, RCT units would have appreciated in line with the broader market over this period. In particular, we note that RCT underperformed the index prior to 25 February 2025 (refer to paragraph 87) and its revenue and earnings for 1H25 were down on 1H24 and 2H24. Casino visitation numbers also fell by 0.3% during 1H25 relative to 1H24. Accordingly, in the context of this cross-check, we do not consider it appropriate to adjust RCT's "undisturbed" unit price for general market movements.

166 Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)[49].

167 Adding a 30% to 35% premium for control to our adopted "undisturbed" unit price range (before and after an allowance for general market movements) results in a theoretical "control" value of $3.58 to $3.71 per unit[50]. Our assessed valuation of RCT units (on a 100% controlling interest basis) is marginally below this range, albeit we note the limitations discussed above with respect to RCT's listed market prices.

49 LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period January 2000 to June 2025. LEA's study covered over 500 transactions in all sectors excluding real estate investment trusts and listed investment companies. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement. Negative premiums and outliers (premiums over 60%) were also excluded.

50 The range would be marginally higher if some allowance were made for the general market movements that occurred subsequent to 25 February 2025.

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VI Evaluation of the Offer

Summary of opinion

168 LEA has concluded that the Offer is fair and reasonable to RCT unitholders, in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Assessment of "fairness"

169 As set out in Section V, we have assessed the value of RCT units on a 100% controlling interest basis at between $3.24 and $3.55 per unit.

170 The consideration offered by Iris under the Offer is $3.87 cash per RCT unit.

171 Pursuant to RG 111 an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison for RCT units is shown below:

Comparison of Offer consideration with RCT value

	Low $ per unit	High $ per unit	Mid-point $ per unit
Value of Offer consideration	3.87	3.87	3.87
Value of 100% of ordinary units in RCT	3.24	3.55	3.40
Extent to which the Offer consideration exceeds (or is less than) the value of the units in RCT	0.63	0.32	0.47

172 As the Offer consideration lies above our assessed value of 100% of the ordinary units in RCT, in our opinion, the Offer is fair to RCT unitholders when assessed based on the guidelines set out in RG 111.

173 While our assessment is based upon a theoretical valuation of RCT, we note that the Offer has arisen out of a competitive bidding process that arose between Iris and the Morris Group. Accordingly, in our view, the Offer consideration must, by definition, represent "fair" value.

Assessment of "reasonableness"

174 Pursuant to RG 111, an offer is "reasonable" if it is "fair". Consequently we have concluded that the Offer is also reasonable.

175 Notwithstanding the regulatory requirement to conclude that the Offer is reasonable solely because it is fair, we have also outlined below a range of other factors that we consider relevant for RCT unitholders in deciding whether to accept the Offer, including:

(a) the extent to which a control premium is being paid to RCT unitholders

(b) the extent to which a share of the synergies likely to be generated by an acquirer of RCT and the extent to which a share of those synergies is being paid to RCT unitholders

(c) the listed market price of units in RCT both prior to and subsequent to the announcement of the Offer

(d) the value of RCT to an alternative offeror and the likelihood of an alternative offer emerging, either prior to the close of the Offer, or sometime in the future (noting in

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particular, the significant proportion of units held by entities associated with CAIL and Accor)

(e) the position of RCT unitholders if Iris acquires less than 100% of the units on issue

(f) the listed market price of RCT units if the Offer is not successful

(g) other qualitative and strategic issues, risks, advantages and disadvantages associated with the Offer.

176 These issues are discussed in detail below.

Extent to which a control premium is being paid

177 It is customary when assessing the merits of a proposed change of control transaction to assess the extent of the premium offered under the proposal by comparing the offer to the pre-bid market prices of the target entity's securities.

178 Research undertaken by LEA[51] indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the unaffected market price of the target company's shares[52]. This premium reflects the fact that:

(a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder

(b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds

(c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company

(d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

179 We have calculated the premium implied by the Offer consideration by reference to the market prices of RCT units prior to the announcement of the receipt of the initial non-binding Proposal from Iris on 26 February 2025 (being the "undisturbed" listed market price of the units) as shown below:

Implied offer premium relative to recent RCT unit prices

	RCT unit price $	Implied control premium %
Closing unit price on 25 February 2025	2.730	41.8
1 month VWAP to 25 February 2025	2.728	41.9
3 month VWAP to 25 February 2025	2.691	43.8

51 LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period January 2000 to June 2025. LEA's study covered over 500 transactions in all sectors excluding real estate investment trusts and listed investment companies. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement. Negative premiums and outliers (premiums over 60%) were also excluded.

52 Taken to be the share price one month prior to the earlier of the transaction announcement or market speculation that a transaction would occur. This price was adjusted for movement in the S&P/ASX All Ordinaries Accumulation Index from the share price date to the first announcement of the final offer.

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180 The above premiums, which exceed the average observed premiums generally paid in successful takeovers in Australia, have been calculated based on RCT's unit prices over the relevant periods. However, we note that the S&P/ASX All Ordinaries Index has increased by approximately 6.7% from 25 February 2025 to 25 September 2025.

181 While, prima facie, we do not consider it appropriate to adjust RCT's unit prices to reflect general market movements over this period (refer paragraph 165), and noting that there can be no guarantee that, in the absence of the Offer, RCT units would have appreciated in line with the broader market, we have nonetheless, for illustrative purposes only, adjusted the RCT unit prices in the table above to reflect such movements. On this adjusted basis, the premiums are reduced but remain significant.

Implied offer premium relative to recent RCT adjusted unit prices

	RCT unit price			
	Actual unit price $	Notional adjustment(1) %	Adjusted unit price(2) $	Implied control premium(3) %
Closing unit price on 25 February 2025	2.730	6.7	2.913	32.9
1 month VWAP to 25 February 2025	2.728	6.7	2.911	33.0
3 month VWAP to 25 February 2025	2.691	6.7	2.871	34.8

Note:
1 Notional adjustment to reflect market movements through to 25 September 2025.
2 Actual unit price multiplied by 1 plus the notional adjustment.
3 Implied control premium based upon adjusted unit price and Offer consideration.

182 Having regard to the above, in our opinion, the Offer consideration provides RCT unitholders with a premium that is above or toward the high end of the range of observed premiums generally paid in control transactions[53]. Accordingly, in our opinion, RCT unitholders are being offered an adequate premium for control.

Extent to which unitholders are being paid a share of synergies

183 Iris has not provided any specific guidance on the level of synergies it expects to realise from the acquisition of RCT. However, if the Offer is successful, RCT will be delisted from the ASX, resulting in the elimination of listed public entity costs (e.g. director fees, listing fees, share registry fees, shareholder communication costs etc.). Given that Iris also operates casinos and other hospitality businesses it may also generate additional synergies by integrating RCT, in some capacity, with its existing operations.

184 Whilst the total synergies to be generated by Iris is ultimately unknown, our valuation range incorporates a premium for control. Further, the existence of synergies from business combinations is one of the key reasons why bidders pay a premium to acquire an entity.

185 Given that the Offer consideration lies above our assessed valuation range for RCT units on a 100% controlling interest basis and the implied control premiums are also broadly consistent with the range of average premiums generally paid in successful takeover in Australia, it

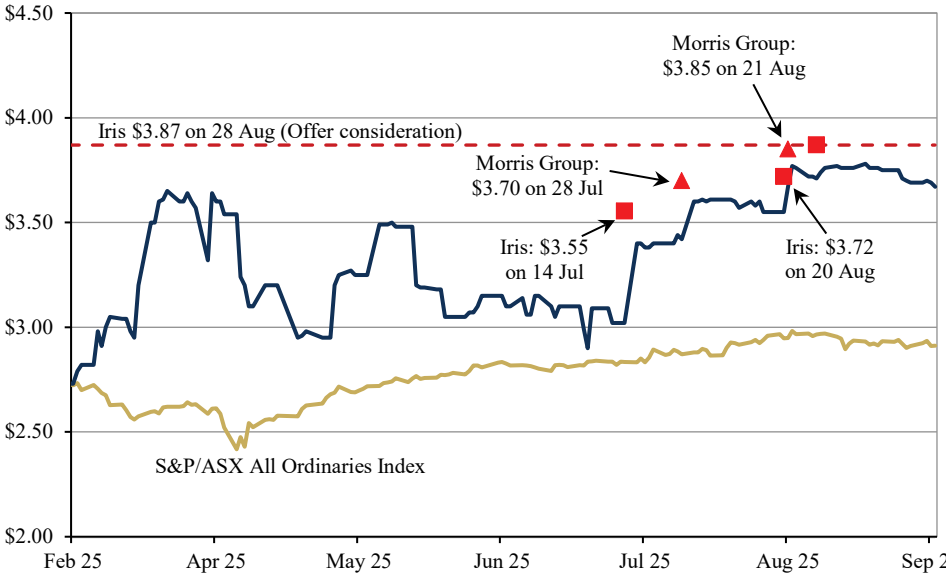
53 Noting that we do not necessarily consider it appropriate to adjust RCT's unit prices for the general market movements that have occurred subsequent to 25 February 2025.

would therefore appear that a proportion of the synergy benefits expected to be realised by Iris are being reflected in the Offer consideration.

Recent unit prices subsequent to the Offer

186 The following chart depicts the ASX trading in RCT units subsequent to the announcement of the receipt of the initial non-binding Proposal from Iris on 26 February 2025:

RCT unit prices subsequent to the announcement of the initial non-binding Proposal from Iris[(1)]
26 February 2025 to 25 September 2025



Note:
1 Based on closing prices. The S&P/ASX All Ordinaries Index has been rebased to RCT's last traded price on 25 February 2025, being A$2.73.

187 In respect of the above we note that:

(a) since the announcement of the receipt of the initial non-binding Proposal from Iris on 26 February 2025, the RCT unit price has shown a steady upward trend, broadly reflecting the successive increases in competing proposals received from Iris and the Morris Group

(b) subsequent to the announcement of Iris' most recent offer of $3.87 per unit on 28 August 2025, RCT units have traded in the range of $3.67 to $3.81 per unit. The VWAP over the period was $3.73. These unit prices are marginally lower than the Offer consideration and suggest that the market consensus view is that a further higher offer from either the Morris Group or another bidder is not presently anticipated.

Likely price of RCT units if the Offer lapses

188 In our opinion, if the Offer lapses and no higher offer, or alternative proposal emerges (the potential for which we discuss below), we expect that, at least in the short term, RCT units will trade at a discount to our valuation and the Offer consideration due to the difference between the value of RCT units on a portfolio basis and the value on a 100% controlling interest basis.

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189 In this regard, we note that RCT last traded at $2.73 per unit on 25 February 2025 (being the last trading day prior to the announcement of the receipt of the initial non-binding Proposal from Iris). We also note that over the one month to 25 February 2025, RCT units traded within a range of $2.60 (low) and $2.93 (high) per unit with a VWAP of $2.73 per unit. That being said, the unit price may find some support at higher levels given that the S&P/ASX All Ordinaries Index has risen by approximately 6.7% between 25 February 2025 and 25 September 2025.

190 Accordingly, those RCT unitholders who wish to sell their RCT units are therefore likely, at least in the short term, to realise a significantly lower price for their units than will be payable under the Offer.

Iris acquires at least 80% or more but less than 90% of RCT

191 RCT unitholders should note that the Offer is currently conditional on Iris acquiring at least 80% (by number) of RCT units on issue.

192 Should Iris acquire 80% but less than 90% of RCT (and all other conditions of the Offer are satisfied), Iris will control RCT including its day-to-day management, strategic direction and level of distribution payments.

193 Should this occur the liquidity of RCT units may be diminished (relative to levels historically observed) which may result in a fall in the price of RCT units. It should also be noted that Iris has stated that it will seek to have RCT delisted from the ASX. If this were to occur, remaining unitholders would become minorities in an unlisted entity that has no active market to facilitate the sale of units.

Likelihood of an alternative offer

194 We have been advised by RCSL, as responsible entity of RCT, that aside from the alternative offers put forward by the Morris Group, no formal alternatives have been received from any other third party subsequent to the announcement of the receipt of the initial non-binding Proposal from Iris on 26 February 2025.

195 Whilst there still remains an opportunity for the Morris Group, or other another third party contemplating an acquisition of RCT, to table a competing proposal, RCT unitholders should note the following:

(a) on 14 July 2025, RCT entered into a TIA with Iris. The TIA includes customary exclusivity provisions in favour of Iris, including "no shop" and "no talk" restrictions and requires the RCT Board to notify Iris of a competing transaction. Iris is also granted the right to match any competing transaction deemed superior by the RCT Board and in certain circumstances, is entitled to a break fee of $1.9 million (pursuant to the second amended TIA)

(b) between 14 July 2025 and 28 August 2025, Iris and the Morris Group submitted a series of escalating competing proposals. The Offer consideration of $3.87 per RCT unit is the highest of the offers received and is some 9% greater than Iris' original offer of $3.5541 per RCT (on 14 July 2025)

(c) CAIL and Accor, which together own some 72% of the units on issue in RCT, intend to accept the Offer within 21 days of its opening, subject to the absence of a superior proposal and LEA assessing (and continuing to assess) the Offer as reasonable

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(d) any alternative transaction, whether from the Morris Group or a third party, would require the approval of CAIL and Accor. It is unlikely that they would approve a transaction that does not also involve the concurrent acquisition of RCSL and CAIC (which they jointly own) on at least comparable terms to those proposed by Iris

(e) given the probity and regulatory approvals required to hold the Casino Licence, the number of potential acquirers is to some extent limited.

196 Although it is possible that a formal alternative offer / superior proposal may emerge from the Morris Group or another third party, in our view, the factors set out above diminish the likelihood of this occurring.

Other qualitative and strategic issues

Certainty of price and outcome

197 The Offer provides RCT unitholders with an immediate opportunity to exit their investment in RCT for a cash sum certain. Further, given that RCT has historically exhibited relatively low levels of trading liquidity (and that each acceptance of the Offer may further reduce liquidity), RCT unitholders may otherwise face limited opportunities to realise their investment at or above the Offer consideration in the near term, particularly where they seek to dispose of a significant holding, or if many RCT unitholders attempt to sell at, or around, the same time.

No brokerage

198 Those RCT unitholders that have their RCT units registered as an Issuer Sponsored Holding[54] will not incur any brokerage costs in accepting the Offer.

199 The same generally applies to those RCT unitholders which have their shares registered in a CHESS Holding[55] or in the name of a broker, bank, custodian or other nominee, however these unitholders will need to confirm with their broker / nominee as to whether it will charge any transactional fees or service charges in connection with the acceptance of the Offer.

200 Regardless of the type of holding unitholders have, it is possible that brokerage charges (and potentially GST on those charges) would be incurred if unitholders dispose of their RCT units other than under the Offer (e.g. by selling on the ASX).

Other matters

201 The taxation consequences of accepting the Offer depend on the individual circumstances of each investor. Unitholders should read the taxation advice set out in Section 8 of the Bidder's Statement as well as Section 9 of and Attachment 2 to the Target's Statement and should consult their own professional adviser if in doubt as to the taxation consequences of the Offer.

202 The ultimate decision whether to accept the Offer should be based on each unitholder's assessment of their own circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If unitholders are in doubt about the action they should take in relation to the Offer or matters dealt with in this report, shareholders should seek independent professional advice.

54 The SRN starts with an "I".

55 The HIN is prefixed with an "X".

VII Collateral benefit

Overview

203 In addition to the Offer, Iris is entering into inter-conditional share purchase agreements (RE SPA and Operator SPA) pursuant to which it will acquire all of the issued shares in RCSL and CAIC (Additional Transactions). Accor and CAIL each hold a 50% interest in both entities that are the subject of the Additional Transactions. An outline of the terms of the Additional Transactions is set out at paragraphs 6 to 8 and 38 to 40.

204 Under s623 of the Corporations Act, bidders are prohibited from offering a benefit that is likely to induce an acceptance and is not offered to all holders in the bid class (e.g. collateral benefit). Given that CAIL and Accor (and their associated entities) collectively own approximately 72% of the units in RCT and the inter-dependency of the Offer and the Additional Transactions, the IBC of RCSL (as responsible entity of RCT) has also requested that we opine upon whether the consideration to be received by CAIL and Accor in respect of the Additional Transactions constitutes the receipt of a collateral benefit as interpreted by TPGN21.

205 TPGN21 sets out the Takeovers Panel's approach to assessing whether there are collateral benefits that give rise to the occurrence of unacceptable circumstances. The Takeovers Panel considers that unacceptable circumstances are likely to exist whenever a bidder provides a securityholder with something of value (i.e. benefit) which it does not offer to other securityholders.

206 Although the Takeovers Panel considers a number of qualitative and quantitative matters to determine whether a "net benefit" is provided, the primary test is price. That is, whether the price proposed to be paid (to a select securityholder or holders) for an asset exceeds its market value. If the price proposed to be paid for the asset is equal to or less than its market value, then the transaction is considered "fair" (from the perspective of the other securityholders) and is prima facie unlikely to be considered to confer a "net benefit" (and vice versa).

207 In our view, a collateral benefit would accrue to CAIL and Accor from the Additional Transactions if the value paid as consideration for the shares in RCSL and CAIC exceeds the fair market value of the shares. In assessing whether a collateral benefit arises from the Additional Transactions, we have considered:

(a) the relative value of the Additional Transactions when compared to the consideration received for CAIL's and Accor's combined circa 72% interest in RCT

(b) a comparison of the implied earnings multiples for the business conducted by CAIC and RCSL and that implied by the Offer for RCT.

Relative transaction value

208 The Offer consideration and the amounts that will be received by CAIL and Accor under the Additional Transactions are set out below:

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RCT and Additional Transactions – value by entity				
Entity	Offer value $000	% of total proposal %	% owned by CAIL & Accor %	Proceeds to CAIL and Accor $000
RCT	192,700	81	72	138,744
CAIC	33,000(1)	14	100	33,000
RCSL	10,884(1)	5	100	10,884
Aggregated group	236,584	100		182,628

Note:
1 The consideration may be increased as a result of the payment of a Permitted Dividend.

209 Pursuant to the Offer, CAIL and Accor will receive approximately $138.7 million for their combined interest in RCT. This amount represents more than 3 times the total consideration they will receive pursuant to the Additional Transactions. The Offer consideration also represents a significant premium over the "undisturbed" traded price of RCT units and represents a value (on a per unit basis), that exceeds the high end of our assessed value range (refer to paragraphs 171 and 179). In our view, prima facie, given the relativities of the consideration and the significant premium available under the Offer, it is unlikely that CAIL or Accor would require the provision of any collateral benefit to secure their acceptance of the Offer.

Implied earnings multiples

210 In determining whether a collateral benefit has been received by CAIL and Accor in connection with the Additional Transactions, we have considered the implied EBITDA and EBIT multiples for each of the transactions based on LTM25 earnings of each entity:

RCT, CAIC and RCSL – implied multiples by entity					
Entity	Offer consideration $000	LTM25 EBITDA $000	LTM25 EBIT $000	EV / EBITDA x	EV / EBIT x
RCT(1)(2)	192,700	14,927	10,383	12.9	18.6
CAIC	33,000	4,419	3,910	7.5	8.4
RCSL	10,884	1,338	1,338	8.1	8.1
Aggregated group	236,584	20,684	15,631	11.4	15.1

Note:
1 LTM25 EBITDA and EBIT exclude non-recurring items. LTM25 EBIT is also presented prior to allowing for any amortisation of the site lease (i.e. special lease).
2 Based on the earnings we have adopted for valuation purposes (refer to paragraph 120), the implied EBITDA and EBIT multiples would be 12.6 times and 18.4 times respectively.

211 The earnings multiples implied by the consideration offered for CAIC and RCSL, based on LTM25 EBIT, are substantially below the those implied by the Offer (i.e. for RCT). The multiples are also less than those implied by Acquis' offer for CAIC and RCSL in 2013[56]. Whilst we have included the implied EBITDA multiples in the table above, in our opinion, these multiples are not a relevant point of comparison due to the differing levels of capital intensity of the entities (i.e. RCT incurs much higher levels of D&A expense as a result of it being the lessee of the physical land and buildings).

56 The implied LTM EV/EBITDA and EV/EBIT multiples for CAIC were 11.1 and 11.4 times respectively, while the implied LTM EV/EBITDA and EV/EBIT multiples for RCSL were both 12.8 times.

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212 We note the value of CAIC is reliant upon the sublease granted to it as operator of the Complex under Casino, Hotel and ancillary facilities lease agreements[57]. The sublease to CAIC is due to expire on 26 October 2029 and will automatically extend from year to year until 16 June 2054, subject to certain ownership conditions being met.

213 Similarly, the value of RCSL, as responsible entity of RCT, is dependent upon its continued ability to charge responsible entity fees to RCT. Under the terms of the RCT Trust Deed, an extraordinary resolution of unitholders is required to remove the responsible entity.

214 If the Casino owner, operator and responsible entity were not controlled by the same parties, it is likely that CAIC and RCSL would transact at lower multiples than RCT, reflecting the risk that the arrangements may not be renewed, or that the responsible entity could be removed. However, as CAIL and Accor hold approximately 72% of the units in RCT and jointly control CAIC and RCSL (and the arrangements are on an arm's length basis i.e. consistent with market standards), the likelihood of non-renewal / removal is low (noting that sublease will automatically extend from October 2029 through to June 2054 on a year to year basis, subject to certain ownership conditions being met[58]. Thereafter, the lease may be extended until the expiry of the special lease (i.e. the site lease) in 2068). Based on these factors, all earnings streams generated from the Casino operations, including those generated by CAIC and RCSL should, prima facie, attract a similar multiple[59].

215 However, as noted above, the implied multiples for RCSL and CAIC are substantially lower than those implied for RCT on an EBIT basis. The differential between the implied EBIT multiples may in part be driven by the competitive bidding process that arose between Iris and the Morris Group which significantly increased the consideration for RCT without affecting the consideration offered for CAIC or RCSL.

Conclusion

216 As noted above, the EBIT multiples implied by the consideration offered for the securities subject to the Additional Transactions are lower than those implied by the Offer, despite the earnings streams being subject to similar risks[60]. Furthermore, given the relativities in the consideration under the Offer and the Additional Transactions[61], and the significant premium available under the Offer, it is unlikely, in our view, that CAIL or Accor would require the provision of any collateral benefit to secure their acceptance of the Offer.

217 As such, in our opinion, the Additional Transactions do not provide any collateral / net benefit to CAIL and/or Accor. Moreover, nothing has come to our attention in respect of the Additional Transactions that would cause us to change the conclusions we have reached in relation to the Offer.

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57 Although technically a sublease, it is more akin to a management agreement.

58 These conditions broadly require that CAIL and its affiliates (including Accor) continue to hold an interest in RCT of not less than 50%.

59 Whilst CAIC and RCSL appear to be lower risk than RCT because they earn a significant proportion of their income based on a percentage of the Complex's revenue rather than profit, their lower level of operating leverage limits their growth potential relative to RCT. On balance, we consider these factors to largely offset each other.

60 Noting, in our view, the likelihood of CAIC's sublease not being renewed and RCSL being removed is low, given the combined interest of CAIL and Accor in RCT.

61 The consideration received by CAIL and Accor under the Offer represents more than 3 times the total consideration they will receive pursuant to the Additional Transactions.

Appendix A

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A Financial Services Guide

Lonergan Edwards & Associates Limited

1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and IERs in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.

2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

Financial Services Guide

3 LEA has been engaged by the IBC of RCSL (as responsible entity of RCT) to provide general financial product advice in the form of an IER in relation to the Offer. The Corporations Act requires that LEA include this Financial Services Guide (FSG) with our IER.

4 This FSG is designed to assist retail clients in their use of the general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

General financial product advice

5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at $180,000 plus GST.

7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of

performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000

11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Target's Statement should not be directed toward LEA as it is not responsible for the preparation of this document.

12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Compensation arrangements

13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

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Appendix B

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B Qualifications, declarations and consents

Qualifications

1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.

2 This report was prepared by Mr Nathan Toscan and Ms Julie Planinic, who are each authorised representatives of LEA. Mr Toscan and Ms Planinic have over 24 years' and 26 years' experience respectively in the provision of valuation advice (and related advisory services).

Declarations

3 This report has been prepared at the request of the IBC of RCSL (as responsible entity of RCT) to accompany the Target's Statement to be sent to RCT unitholders. It is not intended that this report serve any purpose other than as an expression of our opinion as to whether or not the Offer is fair and reasonable to RCT unitholders (including as to whether the Additional Transactions amount to a collateral benefit).

4 LEA expressly disclaims any liability to any RCT unitholder who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

Interests

5 At the date of this report, neither LEA, Mr Toscan nor Ms Planinic have any interest in the outcome of the Offer. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.

6 LEA has not had within the previous two years, any business or professional relationship with RCT or Iris (or the parties to the Additional Transactions, i.e. RCSL, CAIC, CAIL or Accor) or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

7 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

8 LEA has had no part in the formulation of the Offer (or the Additional Transactions). Its only role has been the preparation of this report.

Indemnification

9 As a condition of LEA's agreement to prepare this report, RCSL, as responsible entity of RCT, has agreed to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of RCT which is false

or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

10 LEA consents to the inclusion of this report in the form and context in which it is included in RCT's Target's Statement, and to be named as the independent expert in RCT's Target's Statement.

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Appendix C

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C Valuation methodologies

1 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, schemes of arrangement, takeovers, share buy-backs, selective capital reductions and prospectuses. These include:

(a) the DCF methodology

(b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets

(c) the amount that would be available for distribution to securityholders in an orderly realisation of assets

(d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis

(e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

2 Under the DCF methodology the value of the business is equal to the net present value of the estimated future cash flows including a terminal value. In order to arrive at the net present value the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

3 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future "maintainable" earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.

4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation, EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

Appendix C

5 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

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D Listed company business descriptions

SkyCity Entertainment Group Limited

1 Headquartered in Auckland, New Zealand, SkyCity Entertainment Group Limited operates integrated entertainment complexes in New Zealand (Auckland, Hamilton and Queenstown) and in Adelaide, SA – each featuring casino gaming facilities, restaurants and bars. The company also offers premium hotel accommodation in Auckland and Adelaide as well as an online casino based out of Malta. In FY25, approximately 71% of underlying revenue came from land-based gaming, 14% from food and beverage, 8% from hotel and convention centre services and 7% from "other".

Century Casino Incorporated

2 Headquartered in Delaware, US, Century Casino Incorporated operates gaming establishments as well as related lodging, restaurant, horse racing (including off-track betting) and entertainment facilities. The company operates 7,467 EGMs and 199 table games across 11 casinos in the US and Canada, as well as five casinos in Poland. Additionally, it operates eight hotels across its North American casino properties, comprising a total of 2,153 hotel rooms. In CY24, the company generated approximately 73% of its revenue from land-based gaming, 10% from food and beverage, 8% from hotel operations, 3% from online gaming, and 5% from "other".

Gamehost Incorporated

3 Gamehost Incorporated is a diversified gaming and hospitality operator with three casinos located across the province of Alberta, Canada. The company offers more than 1,570 EGMs and 55 table games, along with over 400 hotel rooms, bars, restaurants, and conference facilities. In CY24, Gamehost derived approximately 60% of its revenue from land-based gaming, 22% from food and beverage and 18% from hotel operations.

Full House Resorts Incorporated

4 Headquartered in Las Vegas, US, Full House Resorts Incorporated develops, owns, operates and manages casinos along with related hospitality and entertainment facilities across Colorado, Mississippi, Illinois, Indiana and Nevada. The company operates six casinos, with five located on properties it owns or leases and one owned by a third party under a lease agreement. In CY24, EGMs and table games generated 74 % of total revenue, while food and beverage contributed 14%, hotel operations 5%, and 6% from "other".

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E Transaction evidence

Single casino operators

Casino Canberra

1 On 12 May 2022, Aquis Entertainment Ltd announced it had received a takeover offer for Casino Canberra from Oscars Group, before receiving a superior offer on 11 July 2022 from Iris CC Holdings Pty Ltd for approximately $63 million[62]. Legislation was passed in 2018 to permit the operation of up to 200 EGMs, however the planned rollout was subsequently halted due to COVID-19. At the time of acquisition, Casino Canberra operated over 30 table games and held the sole casino licence in the ACT. In addition, the company had sports betting lounges, hospitality venues and a partnership with Crowne Plaza Canberra, providing discounted rates for hotel accommodation.

SkyCity Darwin

2 On 8 November 2018, Delaware North Companies Inc. announced it had reached an agreement to acquire SkyCity Darwin (previously MGM Grand Darwin Casino) for total cash consideration of approximately $188 million. SkyCity Darwin was the sole operating casino in Darwin (with a casino licence valid to 2036), featuring 30 gaming tables, 600 EGMs, nine hospitality venues and a 152 room hotel (Darwin's only five star hotel). The casino employed 671 people, 282 of which were employed on a full-time equivalent basis.

Jupiters Townsville

3 On 24 January 2014, Echo Entertainment announced the sale of Jupiters Townsville to Colonial Leisure Group Pty Ltd for $70 million. Jupiters Townsville operated a casino in Townsville featuring 50 gaming tables and 350 EGMs, along with a 194 room waterfront hotel, conference halls and multiple hospitality venues. At the time of acquisition, the casino had approximately 2,000 visitors per day.

Christchurch Casino

4 On 19 December 2012, Skyline Enterprises Ltd announced it had reached an agreement to acquire the remaining 50% stake in Christchurch Casino that it did not already own from SkyCity Entertainment Group Ltd for approximately $80 million. Opened in 1994 as New Zealand's first casino, Christchurch Casino employed over 500 people and operated 34 gaming tables, 500 EGMs, four hospitality venues and function rooms.

Burswood

5 On 27 April 2004, ASX listed Burswood Ltd announced it had received a cash offer from PBL valued at approximately $870 million. Headquartered in Perth, WA, Burswood was the owner-operator of WA's only licensed casino, the Burswood Casino, which comprised over 160 gaming tables, 1,286 EGMs, a hotel, holiday inn, 10 hospitality venues, a nightclub, convention centre and meeting rooms, as well as recreational facilities including a public golf course.

62 The Oscars Group bid was $52 million.

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MGM Grand Darwin Casino

6 On 11 February 2004, SkyCity Entertainment Group Ltd announced that it had reached an agreement to acquire the MGM Grand Darwin Casino from MGM Resorts International for approximately $195 million. The MGM Grand Darwin Casino was the only licensed casino in Darwin and the largest in the NT, featuring 26 gaming tables, 450 EGMs, 50 Keno venues, and a 107 room hotel along with hospitality venues.

Adelaide Casino

7 On 23 February 2000, SkyCity Ltd announced it had reached an agreement to acquire the Adelaide Casino for total cash consideration of approximately $183 million. Opened in 1985, the Adelaide Casino's operations comprised 70 gaming tables, 760 EGMs, hospitality venues and private function rooms in Adelaide's heritage-listed Central Railway Station building.

Star City

8 On 16 April 1999, Tabcorp announced its intention to acquire all outstanding shares in Star City Holdings Ltd for a mixture of cash and scrip consideration of approximately $1.6 billion. Star City operated Star Casino, Sydney's sole casino which opened in 1997 under an exclusivity licence in place until 2019. The casino operated 200 gaming tables, 1,500 EGMs, 491 hotel rooms, 11 bars and restaurants, retail outlets, and recreational facilities including a nightclub. At the time, the property employed approximately 4,000 staff, of which around 2,900 were on a full-time basis.

Crown Melbourne

9 On 14 December 1998, PBL entered into an agreement to acquire Crown Ltd through a scrip transaction for approximately $1.8 billion. Established in 1991, Crown Ltd operated the country's largest casino (Crown Casino Melbourne) which featured 350 gaming tables, 2,500 EGMs, 500 hotel rooms, 54 bars and restaurants, retail outlets, as well as recreational facilities including a 14 cinema complex. The casino held a 99-year lease from the Victorian Government that was due to expire in 2092.

Multiple casino operators

Crown Resorts

10 Subsequent to its offer on 19 November 2021, Blackstone Inc. revised its proposal to acquire ASX listed Crown Resorts Ltd on 13 January 2022 for a total cash consideration of approximately $8.9 billion. At the time of acquisition, Crown Resorts operated 890 gaming tables, 5,128 EGMs, and 3,141 hotel rooms across its properties. The majority of revenue came from Crown Melbourne and Crown Perth, however, the company also owned Crown Sydney (which opened in 2020) and Crown Aspinalls in London. Additionally, Crown Resorts owned the online sports betting platform Betfair Australasia Pty Ltd, and a 50% stake in casual gaming operators DGN Games LLC and Aspers Casino.

Jupiters

11 On 5 March 2003, Jupiters announced it had entered into an agreement to be acquired by Tabcorp in a cash and scrip transaction valued at approximately $1.6 billion. Jupiters operated over 200 gaming tables and almost 3,000 EGMs across Jupiters' Casino on the Gold Coast, Treasury Casino in Brisbane and Jupiters Townsville Hotel and Casino. Additionally, Jupiters provided Keno and gaming technology services in QLD and NSW.

F Glossary

Term	Meaning
1H	Six months to 31 December
2H	Six months to 30 June
AASB 16	Australian Accounting Standard AASB 16 – *Leases*
Accor	Accor Casino Investments (Australia) Limited
ACT	Australian Capital Territory
Additional Transactions	Iris' inter-conditional offer to acquire all of the issued shares in RCSL, the responsible entity of RCT, and CAIC, the lessee and operator of the Complex
AFCA	Australian Financial Complaints Authority
Aquis	Aquis Casino Acquisitions Pty Ltd
Aquis Offer	Non-binding indicative proposal from Aquis received on 13 November 2013 to acquire all units in RCT for a cash consideration of $4.354 per unit
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
AUSTRAC	Australian Transaction Reports and Analysis Centre
Bidder's Statement	Bidder's Statement in respect of Iris' Offer of $3.87 per RCT unit (which was lodged with ASIC on 29 August 2025)
CAIC	Casinos Austria International (Cairns) Pty Ltd
CAIL	Casinos Austria International Limited
Casino	Reef Hotel Casino
CBRE	CBRE Valuations Pty Limited
Complex	Reef Hotel Casino complex in Cairns, which comprises the Reef Hotel Casino, the Pullman Reef Hotel Casino and other facilities including a nightclub (currently closed), retail outlets, centre maintenance areas and a car park
Corporations Act	*Corporations Act 2001* (Cth)
D&A	Depreciation and amortisation
DCF	Discounted cash flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax depreciation and amortisation
EGM	Electronic gaming machine
EV	Enterprise value
Foundation Agreement	Reef Casino Trust Foundation Agreement dated 9 December 1993
Founders	As defined in the RCT Trust Deed
FSG	Financial Services Guide
FY	Financial year
Hotel	Pullman Reef Hotel Casino
IBC	Independent Board Committee
IER	Independent expert's report
Iris / Bidder	Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust
LEA	Lonergan Edwards & Associates Limited
LTM25	Last 12 months to 30 June 2025
NSW	New South Wales
NT	Northern Territory
Offer	An off-market cash takeover offer from Iris to acquire all of the ordinary units in RCT for $3.5541 cash per unit
Operator SPA	Operator Share Purchase Agreement between Iris and CAIC
PBL	Publishing and Broadcasting Ltd
PP&E	Property, plant and equipment
Proposal	Confidential, non-binding and highly conditional proposal from Iris to acquire 100% of the units in RCT

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Appendix F

Term	Meaning
QLD	Queensland
RCSL	Reef Corporate Services Limited
RCT / Target	Reef Casino Trust
RE SPA	Responsible Entity Share Purchase Agreement between Iris and RCSL
Reef Group	RCT, RCSL and CAIC
RG 111	Regulatory Guideline 111 – *Content of expert reports*
ROU	Right-of-use
SA	South Australia
Tabcorp	Tabcorp Holdings Ltd
TAS	Tasmania
TIA	Takeover Bid Implementation Agreement between RSCL as responsible entity of RCT and Iris
TPGN21	Takeovers Panel Guidance Note 21: *Collateral Benefits*
US	United States of America
VIC	Victoria
VWAP	Volume weighted average price
WA	Western Australia
WANOU	Weighted average number of units outstanding

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Attachment 2

Taxation Report

Attached separately

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ey.com/au

The Directors
Reef Corporate Services Limited
As Responsible Entity of Reef Casino Trust
PO Box 7320
CAIRNS QLD 4870

26 September 2025

Off-Market Takeover Bid for all the Units in Reef Casino Trust made by Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust
Australian Income Tax Overview

Dear Directors

At the request of Reef Corporate Services Limited as Responsible Entity for Reef Casino Trust (**RCT**), this general overview of the Australian income tax implications (including Capital Gains Tax (**CGT**) implications) for certain Australian and non-resident RCT Unitholders of disposing of their RCT Units under the Offer has been prepared for inclusion at Attachment 2 of the Target's Statement (**TS**) to be dated on or about 29 September 2025.

The categories of RCT Unitholders covered by this overview are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their RCT Units on capital account for Australian income tax purposes.

This overview does not cover RCT Unitholders who:

- hold their RCT Units as a revenue asset (i.e. trading entities or entities who acquired their RCT Units for the purposes of resale at a profit) or as trading stock;
- are partnerships or individuals who are partners of such partnerships;
- hold their RCT Units as an asset in a business that is carried on through a permanent establishment in Australia or outside Australia;
- are under a legal disability;
- are exempt from Australian income tax;
- are subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) in relation to gains and losses on their RCT Units;
- are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in respect of their RCT Units.

Further, it does not take into account the tax law of countries other than Australia. RCT Unitholders who are not residents of Australia for income tax purposes are strongly encouraged to seek independent professional advice in relation to their own particular circumstances, including in respect of the jurisdiction where they are resident for tax purposes.

This overview is based on the Australian tax law, and the practice of the tax authorities, at the date of this letter. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. We have not been retained nor are we obliged to monitor or update the information in this overview for any future legislative changes which may affect the correctness of this overview after the date of this letter.

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This overview is general in nature and is not intended to be an authoritative or complete statement of the applicable law to the particular circumstances of each RCT Unitholder. Accordingly, the overview does not constitute tax advice and cannot be relied upon as such. We disclaim all liability to any RCT Unitholder for all costs, loss, damage and liability that the RCT Unitholder may suffer or incur arising from or relating to or in any way connected with the contents of this overview or the provision of this overview to the RCT Unitholder or the reliance on this overview by the RCT Unitholder.

RCT Unitholders should obtain independent professional advice that considers the tax implications of disposing of their RCT Units under the Offer in relation to their own particular circumstances.

This overview does not constitute financial product advice as defined in the *Corporations Act 2001* (Cth). The overview is confined to Australian income tax issues and is only one of the matters RCT Unitholders need to consider when making a decision about their investments. RCT Unitholders should consider taking advice from a licensed adviser, before making a decision about their investments. The partnership of Ernst & Young is not required to hold an Australian Financial Services Licence under the *Corporations Act 2001* (Cth) to provide RCT Unitholders this overview.

Capitalised terms that are not otherwise defined in this overview are defined in accordance with the TS.

Disposal of RCT Units - Australian Income Tax Implications

Australian Tax Resident RCT Unitholders

This section applies to RCT Unitholders who are residents of Australia for income tax purposes (i.e. Australian tax residents).

The disposal of RCT Units under the Offer should give rise to CGT Event A1 for RCT Unitholders.

(a) Timing of the CGT Event

The date of the CGT event should be:

- Where a RCT Unitholder accepts the Offer, the date of acceptance;
- Where a RCT Unitholder's RCT Units are compulsory acquired, the date the beneficial ownership of the RCT Units transfers to Iris.

(b) Calculation of gross capital gain or capital loss

RCT Unitholders should make a capital gain on the disposal of RCT Units to the extent that the capital proceeds from the disposal are more than the cost base of those RCT Units. Conversely, RCT Unitholders should make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those RCT Units.

Capital losses can only be offset against capital gains derived in the same income year or later income years but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years. Specific loss recoupment rules apply to companies and trusts which must be satisfied if those carry forward tax losses are to be used in future years. RCT Unitholders should seek their own independent professional advice in relation to the operation of these rules.

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(c) Capital proceeds received by RCT Unitholders

The capital proceeds from the disposal of the RCT Units should be equal the cash consideration of $3.87 per RCT Unit received by the RCT Unitholder.

(d) Cost base and reduced cost base of a RCT Unit

The cost base of a RCT Unit should generally be equal to:

- the cost of acquiring that RCT Unit;
- less, tax deferred distributions received in respect of the RCT Unit. Details of tax deferred distributions are available from the RCT website at www.reefcasino.com.au/trust;
- plus, any incidental costs of acquisition and disposal (such as brokerage fees and legal costs).

The reduced cost base of a RCT Unit is determined in a manner similar to the cost base although some differences may exist. For example, the reduced cost base does not include costs of owning an RCT Unit (e.g. interest on money borrowed to acquire it).

The cost base and reduced cost base of each RCT will depend on the individual circumstances of each RCT Unitholder.

(e) CGT Discount

The CGT Discount may apply to RCT Unitholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their RCT Units for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their RCT Units to Iris.

The CGT discount is:

(i) 50% if the RCT Unitholder is an individual or trustee of a trust (other than a complying superannuation entity): meaning only 50% of the capital gain should be included in assessable income; and

(ii) 33⅓% if the RCT Unitholder is a trustee of a complying superannuation entity: meaning only two-thirds of the capital gain should be included in assessable income.

The CGT Discount is not available to RCT Unitholders that are companies.

If the RCT Unitholder makes a discounted capital gain, any current year and/or carried forward capital losses should be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount should be included in the RCT Unitholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Subject to certain requirements being satisfied, the capital gain may flow through to the beneficiaries in that trust, who should assess eligibility to apply the CGT Discount in their own right. Accordingly, trustees should seek their own independent professional advice on how the CGT Discount applies to them and the trust's beneficiaries.

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Non-Australian Tax Resident RCT Unitholders

This section applies to RCT Unitholders who are not residents of Australia for income tax purposes (i.e. foreign tax residents).

The disposal of RCT Units under the Offer should generally only result in Australian CGT implications for an RCT Unitholder if:

(i) that RCT Unitholder together with its associates held an interest of 10% or more in RCT at the time of disposal or for a 12 month period within 2 years preceding the disposal (referred to as the "non portfolio interest test"); and

(ii) the units in RCT are taxable Australian property whereby more than 50% of the market value of RCT's assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the ITAA 1997) (referred to as the "principal asset test"),

(collectively referred to as an "indirect Australian real property interest")

For completeness, proposed changes have been announced to the Australian tax law which would broaden the scope of the application of the CGT provisions to foreign tax residents to include direct and indirect sales of assets with a close economic connection to Australian land and/or natural resources. The proposed changes also amend the point in time principal asset test to a 365-day testing period and impose a requirement on foreign tax residents to notify the Australian Taxation Office (**ATO**) prior to their proposed disposal of certain membership interests. The changes are proposed to apply to CGT events occurring on or after 1 October 2025 or the beginning of the next calendar quarter after the law receives Royal Assent.

Any foreign tax resident individual RCT Unitholder who was previously a resident of Australia for income tax purposes and chose to disregard a capital gain or capital loss on ceasing to be an Australian tax resident should be subject to Australian CGT consequences on disposal of their RCT Units as set out above for Australian tax resident RCT Unitholders. Although the CGT discount should only be available to the extent of the period that the foreign tax resident individual RCT Unitholder was an Australian tax resident.

Foreign Resident CGT Withholding Rules

Under Australia's foreign resident CGT withholding rules, Iris may have an obligation to withhold an amount equal to 15% of the consideration paid to relevant RCT Unitholders and remit it to the ATO. The foreign resident CGT withholding rules apply if the RCT Units of the RCT Unitholder are indirect Australian real property interests, and:

- Iris knows, or reasonably believes, that the RCT Unitholder is a foreign tax resident; or
- Iris does not reasonably believe that the RCT Unitholder is an Australian tax resident, and either:
  - The RCT Unitholder's address is outside Australia; or
  - Iris is authorised to provide a related financial benefit relating to the disposal of the RCT Units to a place outside Australia (whether to the RCT Unitholder or to anyone else); or
- The RCT Unitholder has a connection outside Australia of a kind specified in the regulations.

Any amount withheld is not a final tax and may be credited against the actual tax liability of the foreign tax resident RCT Unitholder upon lodging their Australian income tax return.

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Iris will provide each RCT Unitholder the ability to provide a declaration that it is an Australian tax resident or that its RCT Units are not indirect Australian real property interests, in accordance with the entity declaration requirements in the section 14-225 of Schedule 1 of the *Taxation Administration Act 1953* (Cth). Where a valid declaration is provided that the RCT Units and Iris does not know the declaration is false, Iris should not withhold or have an obligation to withhold under the foreign resident CGT withholding rules.

RCT Unitholders should seek their own independent professional advice on how the foreign resident CGT withholding rules apply to their particular circumstances.

Iris, in cooperation with RCT, intends to consult the ATO in relation to its foreign resident CGT withholding obligations.

Yours sincerely

Ernst & Young

Ernst & Young

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Attachment 3

Conditions

Attached separately

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Please note that the section below has been extracted from the Bidder's Statement and all capitalised defined terms within that section have the meaning as set out in section 11 of the Bidder's Statement.

10.7 CONDITIONS OF THIS OFFER

Subject to section 10.8, the completion of this Offer and any contract that results from an acceptance of this Offer are subject to the fulfilment of the conditions set out below.

(a) Minimum acceptance condition

During or at the end of the Offer Period, Iris has a Relevant Interest in at least 80% (by number) of all of the RCT Units.

(b) No other outstanding securities

At the end of the Offer Period, there are no securities on issue in RCT other than 49,801,036 RCT Units and there are no outstanding offers, agreements or rights to be issued with RCT Units or other securities.

(c) Casino and liquor licensing approvals

(i) approval from the Attorney General of Queensland (or her delegate) and the Governor in Council under the Casino Control Act to permit the change of control of the Casino Licence which will occur as a result of the acquisition by Iris of all of the RCT Units under the Offer;

(ii) approval from the Governor in Council under the Casino Control Act of persons connected with Iris in relation to the Casino Licence;

(iii) any approval or consent of the Attorney General of Queensland or the Governor in Council required under the Cairns Casino Agreement to permit Iris to own 100% of RCT Units or otherwise required to permit the change of ownership occurring as a result of the acquisition by Iris of all of the RCT Units under the Offer and to permit the acquisition by Iris of all of the RCT Units under the Offer in general;

(iv) any approval of a Government Agency required under relevant liquor licensing laws which may be required to allow the change of ownership which will occur as a result of the acquisition by Iris of all of the RCT Units under the Offer;

(v) any Ministerial approval required under clause 30 of the Trust Deed in relation to the acquisition by Iris of all of the RCT Units under the Offer; and

(vi) any other approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption required under the Casino Agreements or the Casino Licence in connection with the acquisition by Iris of all of the RCT Units under the Offer, and the transactions contemplated under the CAIC and RCSL share purchase agreements.

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(d) Foundation Agreement

All approvals or consents required from the Attorney General of Queensland, the Governor in Council and the parties to the Foundation Agreement as are required under the Foundation Agreement including to allow the transfer of the Restricted Units to Iris under the Offer.

(e) No Prescribed Occurrences

No Prescribed Occurrence happens in the period between the Announcement Date and the End Date (both inclusive).

(f) No Regulated Events

No Regulated Event happens in the period between the Announcement Date and the end of the Offer Period (both inclusive).

(g) Incurring of significant liabilities

RCT does not:

(i) incur any liabilities, other than short term liabilities incurred to meet demands in the ordinary course of business that cannot otherwise be satisfied by available cash in RCT;

(ii) change the terms of its debt financing arrangements in any material respect; or

(iii) obtain advances or draw funds under any credit facilities (including those provided for in the Finance Documents), save that RCT may make drawdowns under the facilities provided for under the Finance Documents where the funds drawn are used in the ordinary course of business (including for working capital purposes and for the payment of Trust distributions),

except any other liabilities contemplated in the Bid Implementation Agreement or with the written consent of Iris.

(h) No regulatory action

During the Offer Period:

(i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;

(ii) no action or investigation is announced, commenced or threatened by any Government Agency that would have a material adverse effect on the Offer; and

(iii) no application is made to any Government Agency (other than by Iris),

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in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in the exercise of powers and discretions conferred by the Corporations Act), which:

(iv) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:

(A) the making of the Offers or the completion of any transaction contemplated by the Offer; or

(B) the rights of Iris in respect of RCT or the RCT Units; or

(v) requires the divestiture by Iris of any RCT Units or the divestiture of any assets of RCT.

(i) Acquisitions, disposals and capex

Between the Announcement Date and the end of the Offer Period (each inclusive), unless Iris provides prior approval in writing, RCT may not:

(i) acquire or agree to acquire any assets, properties or businesses, or incur, agree to incur or enter into a commitment or a series of commitments involving capital expenditure by RCT, whether in one or more transactions, where the consideration for such transaction, transactions, commitments or series of commitments exceeds $500,000 in aggregate, provided that this provision does not prevent RCT from incurring or committing to incur the CY25 Planned CAPEX Expenditure Amount; or

(ii) dispose of, or agree to dispose of, or create or agrees to create an equity interest in respect of any assets (including, without limitation, under any off-take or similar agreement), properties or businesses, whether in one transaction or a number of such transactions, where the consideration for such transaction or transactions exceeds $500,000 in aggregate, provided that this provision does not prevent RCT from disposing of any asset which is technically or commercially obsolete or where RCT acquires a replacement asset.

(j) No material adverse change

(i) Between the Announcement Date and the end of the Offer Period, no event, change, condition, matter or thing occurs, or first becomes known to Iris (each a Specified Event) which individually or when aggregated with one or more Specified Events, has, will or is reasonably likely to have the effect of:

(A) reducing annual EBITDA of a Target Group Entity by an amount equal to $2,250,000 or more against what it would reasonably have been expected to have been but for such Specified Event; or

(B) diminishing the consolidated net asset value of RCT by $10,000,000 or more against what it would reasonably have been expected to have been but for such Specified Event.

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(ii) Without limitation to any other part of this Condition, the following events will be deemed to have the effect referred to in sub-paragraph (j)(i)(A) or (B) above:

(A) a Government Agency or other body withdraws, revokes, cancels, suspends or otherwise modifies, in writing, an approval, consent, licence or permit granted to or held by a Target Group Entity (or expresses an intention in writing to do any of these things), including the Casino Licence or under the Cairns Casino Agreement, where to do so, will or is likely to, materially adversely affect RCT's business;

(B) there is a material breach of any laws, regulations, approval, consent, licence or permit granted to or held by a Target Group Entity, including the Casino Licence or under the Casino Cairns Agreement, by a Target Group Entity as a result of which any Government Agency has or would have the right to terminate, revoke, cancel, suspend or otherwise modify any applicable approval, consent, licence or permit granted to or held by a Target Group Entity where to do so, will or is likely to, materially adversely affect RCT's business;

(C) an increase of 10% or more in the actual costs incurred by the Target Group, or forecast of costs to be incurred by the Target Group as set out in RCT's management accounts, to the estimated costs for carpark remediation and drainage improvement disclosed in the Disclosure Materials in data room document 1.5.8.7.

(iii) Paragraph (j)(i) and (ii) will not apply to events, occurrences or matters that:

(A) arise from any actual or proposed change in any law, or rule or regulation of any Government Agency (including the interpretation or non-application of any laws by any Government Agency), after the date of the Bid Implementation Agreement where the relevant Government Agency had, prior to the date of the Bid Implementation Agreement, publicly announced, suggested or proposed such change in the public domain (and for the avoidance of doubt would not include any other actual or proposed change in any law, or rule or regulation of any Government Agency (including the interpretation or non- application of any laws by any Government Agency) after the date of the Bid Implementation Agreement);

(B) arise from adverse weather conditions or natural disasters;

(C) arise from any change in generally accepted accounting standards, after the date of the Bid Implementation Agreement;

(D) arise from general economic, business or political conditions, taxation, interest rates or changes in any such conditions (including disruptions to, or fluctuations in, financial markets, or changes in interest rates, foreign currency exchange rates or commodity prices) after the date of the Bid Implementation Agreement, provided that RCT is not disproportionately affected by such change, relative to other participants in the industry in which RCT operates;

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(E) have been disclosed by RCT in its public filings with ASX or ASIC before the date of the Bid Implementation Agreement;

(F) are required or permitted to be done or procured by RCT to be done in accordance with the Bid Implementation Agreement, the Takeover Bid or the transactions contemplated by either (including the payment of reasonable Transaction costs);

(G) are Fairly Disclosed in the Disclosure Materials; or

(H) have been previously approved by Iris in writing.

(k) Share purchases become unconditional

Before the end of the Offer Period, each of the share purchase agreements in respect of RCSL and CAIC becoming unconditional (other than for any condition relating to the Offers becoming unconditional).

(l) No dividends or distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), RCT does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) or agree to do any of the foregoing, except for the payment of distributions in September and March each year in accordance with RCT's distribution policy of distributing 100% of distributable profits to RCT Unitholders registered on the record dates in June and December each year for the purpose of payment of distributions or as otherwise permitted in accordance with clause 4.4 of the Bid Implementation Agreement.

(m) No persons entitled to exercise or exercising rights under material agreements

Before the end of the Offer Period, each relevant person or party to each Material Contract (as the case may be) provides to RCT in writing a binding, irrevocable and unconditional waiver or release of all Change of Control Rights in such Material Contracts and RCT provides a copy of each such release to Iris.

(n) No litigation

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against RCT which may reasonably result in a judgment of $500,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Iris (whether or not becoming public) or RCT, other than that which is in the public domain as at the Announcement Date, and which, if successful, will or is reasonably likely to materially adversely affect RCT's business.

(o) Termination of the Bid Implementation Agreement

Between the Announcement Date and the end of the Offer Period (each inclusive), the Bid Implementation Agreement is not terminated by any party.

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Reef Casino Trust
ARSN 093 156 293

RCT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

29 September 2025

Dear Unitholder

Target's Statement – Takeover Offer from Iris Cairns Property Pty Ltd

Reef Corporate Services Limited ACN 057 599 621 (**RCSL**), in its capacity as responsible entity of the Reef Casino Trust ARSN 093 156 293 (**RCT**), refers to its previous announcements regarding the off-market cash takeover bid by Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust (**Iris**) to acquire all of the ordinary units in RCT (**Offer**). The Offer is all cash at an offer price of $3.87 per RCT unit.

On 29 August 2025, Iris released its Bidder's Statement in relation to the Offer. The Bidder's Statement contains the detailed terms of the Offer and was sent to all RCT Unitholders on 12 September 2025 with an accompanying personalised acceptance form.

This letter sets out how you can access RCT's Target's Statement responding to the Iris Offer (**Target's Statement**). The Target's Statement sets out RCT's formal response to, and important information about, the Offer, including the consideration of the Offer by the Independent Board Committee established by RCSL and the **unanimous recommendation by the Directors (both independent and non-independent)** that Unitholders **ACCEPT** the Offer (in the absence of a superior proposal and subject to the appointed independent expert giving, and not revoking, a Reasonable Opinion[1]) along with the reasons for that recommendation.

Lonergan Edwards & Associates Limited, an independent expert appointed by RCT in relation to the Offer, has concluded that the Offer is **fair and reasonable** to RCT unitholders and that certain other transactions contemplated by the Offer do not amount to a collateral benefit (including, for this purpose, that those transactions do not amount to a net benefit). A copy of the independent expert's report accompanies RCT's Target's Statement.

HOW TO ACCESS THE TARGET'S STATEMENT	
Online	**Paper**
The Target's Statement can be accessed via the website below: https://www.reefcasino.com.au/reef-casino-trust and click on Investor Information	Request a copy of the Target's Statement by contacting the Unitholder Information Line on 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) between 8am and 6pm (Queensland time), Monday to Friday.

[1] A 'Reasonable Opinion' means the appointed independent expert concluding that the Offer is either fair and reasonable or not fair but reasonable to RCT unitholders, and that certain other transactions contemplated by the Offer do not amount to a net benefit.

Please note that RCT will not be sending you a hard copy of the Target's Statement. However, if you request a hard copy of the Target's Statement (see instructions above), it will be mailed to you as follows:

1. if you are a RCT Unitholder in Australia – by pre-paid ordinary post; or
2. if you are a RCT Unitholder outside Australia – by pre-paid airmail post.

If you are in any doubt as to the contents of this letter or the Target's Statement, please contact your legal, financial or other professional adviser. You should read the Target's Statement, including the accompanying independent expert's report, in full before making a decision in respect of the Offer.

I would like to take this opportunity to thank you for your ongoing support as a RCT Unitholder.

Yours sincerely

Brad Sheahon
Chief Executive Officer
Reef Corporate Services Limited
Responsible Entity, Reef Casino Trust

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