19 November 2020

FOR IMMEDIATE RELEASE:

Redcape acquires the Gladstone Hotel, Dulwich Hill

Redcape Hotel Group Management Ltd, as responsible entity of Redcape Hotel Group (ASX: RDC) ("Redcape" or the "Group") advises that it has exchanged contracts to acquire the Gladstone Hotel, Dulwich Hill for a purchase price of $38.0m, excluding transaction costs.

A quality Freehold Going Concern asset, The Gladstone Hotel will complement the Group's portfolio of suburban community hotels in high growth areas, largely in Western Sydney, and will be accretive to Distributable Earnings on joining the portfolio.

Having remained in the same family ownership for 40 years, the Hotel will benefit from the Group's operational platform and refurbishment capability which will cement as a cornerstone of the diverse and culturally rich Dulwich Hill community.

Redcape CEO Dan Brady said, "We are delighted to announce the addition of such a quality asset to our portfolio. Being our first acquisition since returning to full operation and with distributions reinstated, the purchase signifies a return to our strategy of active portfolio optimisation and growing sustainable distributions for our Securityholders over the long term."

"Our vision is to create and nurture sociable and sustainable communities. As a Dulwich Hill fixture, The Gladstone Hotel will undergo a major refurbishment program and will be supported by Redcape's operational platform, focused on developing hospitality professionals and driving positive social impact through our Communities program."

"We look forward to immersing ourselves in the Dulwich Hill community and learning about the Gladstone Hotel's customers and staff as we look to drive even better outcomes for our staff, our customers and our Securityholders."

Redcape
HOTEL GROUP

About Redcape Hotel Group (Redcape)
Redcape is one of Australia's leading pub and hotel operators. The Redcape portfolio comprises 33 quality hotels (31 freehold and 2 leasehold) strategically located across New South Wales and Queensland and has a clear focus on delivering excellent and responsible service, maintaining high quality facilities, advancing the training and development of its people and contributing positively to the communities in which it operates. www.redcape.com.au

Redcape Hotel Group Management Ltd (ACN 610 990 004) (AFSL 505932) is the responsible entity of Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) (together "Redcape" or "Redcape Hotel Group"). Moelis Australia Hotel Management Pty Ltd (ACN 619 297 228) is the appointed investment manager and hotel operator of Redcape.

The acquisition will be funded from existing Group resources with settlement anticipated before March 2021 subject to customary conditions precedent.

CEO Dan Brady discusses the announcement via video that will be released during the course of the day and available here or at https://www.redcape.com.au/investor-centre/investor-news-room/

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