



Authorised for release by Nicholas Collishaw  
Chair, Board of Directors  
Redcape Hotel Group Management Ltd

FOR IMMEDIATE RELEASE  
ASX Markets Announcement Platform – 25 March 2020

### COVID-19 Shutdown - Business Update

Redcape Hotel Group Management Ltd, as responsible entity of Redcape Hotel Group (ASX: RDC) (“Redcape” or the “Group”) provides the following update:

- Redcape has closed its 32 venues in response to Stage 1 Government restrictions on social gatherings;
- The Group is working to minimise the impact of the restrictions on staff and maintain connections with communities;
- Based on the current operating restrictions and reduced workforce, the cash expense associated with maintaining the business is approximately \$10m per quarter;
- The Group has \$100m cash on hand;
- Management has extensive experience operating pubs through difficult and challenging environments and business cycles.

On 22 March 2020 the NSW Government announced new Stage 1 restrictions on social gatherings with all pubs to be closed from midday Monday 23 March. While these restrictions will be reviewed monthly, the Government has indicated that the community should expect the measures to be in place for at least six months.

Accordingly, Redcape has closed its 32 pubs, located in New South Wales and Queensland. The Group’s 16 retail bottle shop outlets, and accommodation at two of its hotels will remain open consistent with current regulations.

Redcape acknowledges the devastating impact that the closure of its pubs will have on its people. In order to preserve as many future jobs as possible and protect the business, the Group intends to stand down the majority of its permanent staff. During the stand down period, permanent staff will be able to draw upon accrued leave entitlements and additional support mechanisms with the objective of these staff returning to their jobs when venues re-open.

All employees, including casuals will be paid in full until Sunday 29 March to provide additional support for people to adjust and prepare for this significant change.

The Group owns the majority of its assets and has only limited commitments to third party landlords.

**Redcape**  
HOTEL GROUP

#### About Redcape Hotel Group (Redcape)

Redcape is one of Australia’s leading pub and hotel operators. The Redcape portfolio comprises 32 quality hotels (30 Freehold Going Concerns and 2 Leasehold Going Concerns) 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](http://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. Redcape Hotel Group Management Ltd, Level 1 287 Military Road Cremorne, NSW 2090. [www.redcape.com.au](http://www.redcape.com.au)*



Redcape has \$100m in available cash<sup>1</sup>. Whilst in restricted operation, based on currently available information, the Group anticipates expenses will be approximately \$10m per quarter.

Gearing as at 12 March 2020 was at the bottom end of Redcape's target range at 37.5% with an interest cover ratio at 1 March 2020 of 5.0x<sup>2</sup>.

The Group's \$500m<sup>3</sup> debt facility is comprised of two equal tranches of three and five year terms from establishment in September last year. The facility is provided by the four largest Australian banks.

On 19 March, Redcape indicated that it would not be paying a March quarter distribution with consideration of future distributions to be made once trading restrictions have been removed and venues have re-opened.

Redcape remains in compliance with its loan documents with the exception of a "suspension or cessation of business" clause which has occurred as a result of the Government's Stage 1 restrictions leading to the immediate closure of the venues. Redcape is in discussions with its lender group and is seeking a waiver in respect of this clause<sup>4</sup>.

Dan Brady, CEO of Redcape said: "In what is a very difficult time for our industry, our business and our people, we are committed to working with our staff, communities, governments and regulators to limit the spread of COVID-19 and minimise the impact on our people and business".

"As a management team we are doing all that we can to ensure we are well positioned for a successful return to full operations of our traditionally resilient business."

-ENDS-

For information please contact:

#### Investor Relations

Andrew Johnston  
Redcape Hotel Group  
(02) 9719 4088 (Australia)  
+6129719 4088 (International)

#### Media Enquiries

Jack Gordon  
Citadel-MAGNUS  
+61(0)478 060 362

---

<sup>1</sup> As at 24 March 2020

<sup>2</sup> Interest cover ratio calculated as EBITDA / Net Finance costs less amortisation of borrowing costs (on a 12 month rolling basis)

<sup>3</sup> Excludes ancillary facility of \$3m

<sup>4</sup> Waiver request is in respect of defaults arising from the effect of the closure on Redcape's businesses.

**Redcape**  
HOTEL GROUP

#### About Redcape Hotel Group (Redcape)

Redcape is one of Australia's leading pub and hotel operators. The Redcape portfolio comprises 32 quality hotels (30 Freehold Going Concerns and 2 Leasehold Going Concerns) 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](http://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. Redcape Hotel Group Management Ltd, Level 1 287 Military Road Cremorne, NSW 2090. [www.redcape.com.au](http://www.redcape.com.au)*