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 INDEPENDENT DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU ACCEPT THE TAKEOVER OFFER FROM IRIS (IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT NOT REVOKING OR WITHDRAWING ITS OPINION THAT THE OFFER IS FAIR AND REASONABLE TO UNITHOLDERS IN THE ABSENCE OF A SUPERIOR PROPOSAL).

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).

AUSTRALIAN LEGAL ADVISER

HERBERT SMITH
FREEHILLS
KRAMER

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 RCT Units which it does not already own (**Takeover Bid**).

A copy of this Target's Statement was lodged with ASIC and given to ASX on 23 October 2026. 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	8 October 2026
Date of this Target's Statement	23 October 2026
Close of Iris' Offer Period (unless extended or withdrawn)	7.00pm (Sydney time) on 9 November 2026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 8.30am and 5.30pm (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

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

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.

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

REEF
CASINO TRUST

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 unconditional 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 which Iris does not already own or control. 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 approximately sixty venues, including hotels, pubs and casinos. Iris Group owns Lasseters casino in Alice Springs, Casino Canberra in the Central Business District of Canberra and Christchurch Casino in Christchurch, New Zealand.

Iris is the majority unitholder in RCT, with a Relevant Interest in 96.33% of the RCT Units as at 21 October 2026 (85.77% of which were acquired pursuant to its off-market takeover bid for RCT, which closed on 14 August 2026 (**Initial Iris Off-Market Takeover Bid**) and the remaining Relevant Interest arising from Unitholders who have already accepted the Offer). Iris also owns 100% of the shares in RCSL and the Operator, which were acquired on 14 August 2026. If you accept the Offer (having been first announced as a potential offer after close of trading on 24 September 2026) you will receive $4.67 cash for each Unit.

An Independent Board Committee has been formed to protect your interests

The Directors of RCSL formed an Independent Board Committee to consider the Initial Iris Off-Market Takeover Bid, comprised of myself and Abigail Cheadle. The Independent Board Committee will continue in respect of the Offer and the other Directors of RCSL are considered to be Non-Independent Directors because of their connections with Iris.

Lonergan Edwards & Associates Limited (**Independent Expert**) has also been appointed to opine on the fairness and reasonableness of the Offer. 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. 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 Offer to assess whether it is in the best interests of Unitholders, and recommended that the Unitholders accept 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 recommends 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 recommendation, the Independent 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;
- having regard to RCT's circumstances, including the limited liquidity in Units, market volatility, and exposure to the gaming and tourism market, 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;
- Iris is the owner of a significant majority of the Units and remaining Unitholders will be a minority investor in RCT (to the extent that any remaining Units are not acquired by way of compulsory acquisition), which may have limited liquidity; and
- no Superior Proposal has emerged as at the date of this Target's Statement.

The Non-Independent Directors abstain from making a recommendation in relation to the Offer because they are each a nominee director of Iris (RCT's major unitholder). Mr Arnaout, a Non-Independent Director, is a director and the controller of Iris, and the other Non-Independent Directors (Mr Jones, Mr Hawkins and Ms Sheehan) are executives of Iris. Having regard to their roles and interests in Iris (as applicable), the Non-Independent Directors consider it is appropriate that they abstain from making, and have each abstained from making, a recommendation in relation to the Offer.

The Offer price of $4.67 per Unit represents:[1]

- a 29.54% premium to the closing RCT Unit price of $3.6050 on 23 September 2026 (the Business Day before the announcement of the Offer);
- a 28.29% premium to the 1 month volume weighted average price of RCT Units to 23 September 2026 (the Business Day before the announcement of the Offer) of $3.6403 per unit; and
- a 73.53% premium to the 3 month volume weighted average price of RCT Units to 25 February 2025 (the last trading day prior to RCT announcing that it had received a proposal from Iris in respect of the Initial Iris Off-Market Takeover Bid) of $2.6912 per unit.

The detailed terms 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,

[1] Each trading premium set out in this Target's Statement has been calculated using trading data sourced from IRESS Limited ACN 060 313 359 (**IRESS**). IRESS has not consented to the use of any trading data in this Target's Statement.

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

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 $4.67 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 Independent Director recommends that you accept the Offer (in the absence of a Superior Proposal and subject to the Independent Expert not revoking or withdrawing its opinion that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal). The Non-Independent Directors abstain from making a recommendation in relation to the Offer because they are nominee directors of Iris.
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.

Question	Answer
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. However, please note that Iris may become entitled to compulsorily acquire your Units (see below under the question titled "Will I be forced to sell by Units?").
What are the consequences of accepting the Offer now?	If you accept the Offer, your acceptance is irrevocable and you will give up your right to sell your Units on the ASX or otherwise deal with your Units. If you accept the Offer, you will receive consideration of $4.67 for each Unit.
Will the Offer affect my entitlement to receive RCT distributions?	Under the terms of the Offer, if you accept the Offer, Iris will be entitled to acquire those Units together with any rights attaching to those Units (which will include unpaid distributions). To the extent that you receive the benefit of any such distributions, Iris is entitled to deduct the terms of those distributions from the consideration that you receive for your Units. However, given the dates on which distributions are ordinarily determined and paid in respect of RCT, it is not expected that any distributions will be determined or paid during the Offer Period. 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.
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 9 November 2026 (unless extended in accordance with the Corporations Act). See section 6.4 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.
What are the conditions to the Offer?	There are no conditions to this Offer.

Question	Answer
When will I be sent my consideration if I accept the Offer?	Iris will pay the consideration under the Offer on or before the earlier of: • one month after the Offer is accepted; and • 21 days after the end of the Offer Period. See section 6.8 of this Target's Statement for further details on when you will be sent your consideration.
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 (being a Relevant Interest of approximately 96.45% of the Units), unless Iris seeks and obtains court approval to proceed at a lower threshold. As at 21 October 2026, Iris has a Relevant Interest in 96.33% of the Units. 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. Even if Iris does not become entitled to exercise the compulsory acquisition rights described above, Iris would separately be entitled to compulsorily acquire Units not owned by it within 6 months of becoming the full beneficial holder of 90% of the Units. In these circumstances, Iris' price for compulsory acquisition would have to be considered in a report of an independent expert. 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.
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

Question	Answer
	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 within Australia) or +61 1300 077 160 (for calls made from outside Australia). Calls to these numbers may be recorded.

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 Independent 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.**

✓ **The Independent Expert has concluded that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal.**

✓ **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.**

✓ **Iris is the owner of a significant majority of the Units and remaining Unitholders will be a minority investor in RCT (to the extent that any remaining Units are not acquired by way of compulsory acquisition), which may have limited liquidity.**

✓ **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 its opinion that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal

Each Independent 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 its opinion that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal.

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.

The Non-Independent Directors consider that it is appropriate that they abstain, and have each abstained, from making a recommendation in relation to the Offer as they are each a nominee of Iris. In the case of Mr Arnaout, a Non-Independent Director, Mr Arnaout is the controller and is a director of Iris. In the case of each other Non-Independent Director (Mr Jones, Mr Hawkins and Ms Sheehan), the Non-Independent Directors are each executives of Iris.

(b) The Independent Expert has concluded that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal.

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 $3.81 to $4.18. The Offer Price of $4.67 is at a 17.04% premium to the Independent Expert's valuation mid-point of $3.99 per Unit.

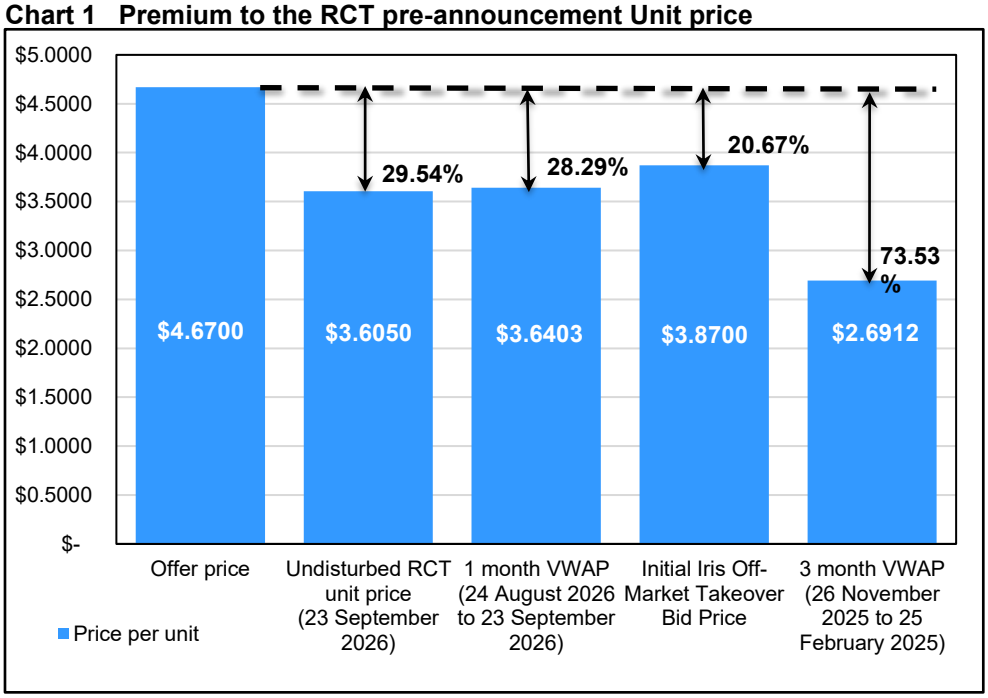
A complete copy of the Independent Expert's Report is contained in Attachment 1 to this Target's Statement. The Independent Directors encourage you to read the Independent Expert's report in full.

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

The Offer price of $4.67 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 $4.67 cash per Unit represents:

- a 29.54% premium to the closing RCT Unit price of $3.6050 on 23 September 2026 (the Business Day before the announcement of the Offer);
- a 28.29% premium to the 1 month volume weighted average price of RCT Units to 23 September 2026 (the Business Day before the announcement of the Offer) of $3.6403 per unit; and
- a 73.53% premium to the 3 month volume weighted average price of RCT Units to 25 February 2025 (the last trading day prior to RCT announcing that it had received a proposal from Iris in respect of the Initial Iris Off-Market Takeover Bid) of $2.6912 per unit.

Chart 1 Premium to the RCT pre-announcement Unit price



Source: 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 $4.67 cash for each Unit in respect of which you accept the Offer;
- in the usual case, if you accept the Offer, you will be paid your consideration within one month after the date you accept the Offer, but, in any event no later than 21 days after the end of the Offer Period; and
- you may not incur any brokerage charges.

The Offer provides you with the opportunity to receive a certain cash return relative to your Units. The Offer is not conditional upon 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 5,299, representing approximately 0.01% of securities on issue.

In addition, as result of the Initial Iris Off-Market Takeover Bid and Unitholders who have already accepted the Offer, Iris has a Relevant Interest in 96.33% of the Units (as at 21 October 2026). In these circumstances, RCT has a limited free float which further impacts trading liquidity.

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.

The Bidder's Statement also notes that Iris intends to have RCT removed from the official list of ASX as soon as it is able to do so. If your Units are not compulsorily acquired, and RCT is removed from the official list of ASX, you will not be able to trade your Units on ASX and the market for Units may be highly illiquid.

(f) Iris is the owner of a significant majority of the Units and remaining Unitholders will be a minority investor in RCT (to the extent that any remaining Units are not acquired by way of compulsory acquisition), which may have limited liquidity.

Iris owns 85.77% of the Units (as at the date of this Target's Statement) and has a Relevant Interest in 96.33% of the Units (as at 21 October 2026). As

such, Iris is a significant majority unitholder in RCT and, subject to the Corporations Act, has the capacity to pass resolutions of Unitholders.

Remaining Unitholders will be a minority investor in RCT, unless Iris is entitled to exercise (and actually exercises) any rights of compulsory acquisition that may be available to Iris. Iris has stated in its Bidder's Statement that it intends to exercise any rights of compulsory acquisition that may be available to it.

If you do not accept the Offer and Iris compulsorily acquires your Units, you will receive value for your Units at a later date than you would have if you had accepted the Offer.

If your Units are not compulsorily acquired, you will be a minority investor in RCT in circumstances where there is a limited free float or where Units are not listed on a recognised stock exchange (meaning that selling your Units may be challenging).

(g) 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 an alternative proposal may be made after the date of this Target's Statement which is a Superior Proposal.

If a Superior Proposal is received, then the Superior Proposal may be recommended by the Independent Directors instead.

(h) 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 Independent Directors

You may disagree with the recommendation of the Independent Directors to accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking the Independent Expert's opinion that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal.

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 a superior proposal).

(b) You may wish to remain a Unitholder

If you accept the Offer 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 or any alternative proposals that may arise in future.

Iris has indicated in section 7.3 of its Bidder's Statement that if it acquires a Relevant Interest of 96.45% or more of all Units, it intends to compulsorily acquire any outstanding Units.

If your Units are compulsorily acquired by Iris under this process, 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 of the Offer Period.

Even if Iris does not achieve a Relevant Interest of at least 96.45% of the Units as at the end of the Offer Period (in which case Iris would not be entitled to exercise the compulsory acquisition rights described above), Iris would separately be entitled to compulsorily acquire your Units within six months after becoming the full beneficial holder of at least 90% of the Units. Iris' price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

(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. As of the date of this Target's Statement, there is no Superior Proposal that is available to be accepted by Unitholders.

If a Superior Proposal is received, then the Superior Proposal may be recommended by the Independent Directors 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 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.

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 as the Offer is unconditional, your acceptance will be irrevocable and 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 will not be able to withdraw their acceptance of the Offer and accept a Superior Proposal

A Unitholder will not be able to withdraw their acceptance of the Offer and accept a Superior Proposal (or sell their Units on market).

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 Independent 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 Iris 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
Ms Abigail Cheadle	Director	Independent
Mr Wassim Arnaout	Director	Non-Independent
Mr Rod Hawkins	Director	Non-Independent
Ms Melissa Sheehan	Director	Non-Independent
Mr Brendan Jones	Director	Non-Independent

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 Independent 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 opinion that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal).

In considering whether to accept the Offer, your Independent 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 Independent Directors' recommendation are set out in section 2.1 of this Target's Statement. The matters considered by your Independent 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 Non-Independent Directors consider that it is appropriate that they abstain, and have each abstained, from making a recommendation in relation to the Offer as they are each a nominee of Iris. In the case of Mr Arnaout, a Non-Independent Director, Mr Arnaout is the controller and is a director of Iris. In the case of each other Non-Independent Director (Mr Jones, Mr Hawkins and Ms Sheehan), the Non-Independent Directors are each an executive of Iris.

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 22 October 2026 (being the last trading day before the date of this Target's Statement) was $4.64 giving a market capitalisation of approximately $231.07 million.

On 29 August 2025, Iris lodged a bidder's statement in relation to the Initial Iris Off-Market Takeover Bid. Offers in connection with the Initial Iris Off-Market Takeover Bid were made on 12 September 2025 and closed on 14 August 2026. Upon the close of the Initial Iris Off-Market Takeover Bid, Iris acquired approximately 85.77% of the Units in RCT.

As a result of acceptances under the Offer processed on or before 21 October 2026, and together with the Units owned by Iris, Iris' Relevant Interest in Units is 96.33% as at 21 October 2026.

In connection with the Initial Iris Off-Market Takeover Bid, Iris also acquired 100% of the shares on issue in RCSL and the Operator on 14 August 2026.

(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 Reef Hotel Casino – Handwritten Collection, 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.

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 2025, the remaining term of the site lease was 43 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.

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

Iris owns all of the shares on issue in the Operator and RCSL, and owns approximately 85.77% of the Units in RCT. Of these holdings, Iris owns 740,000 Founder Units which are not listed and which are subject to restrictions on disposal. As at 21 October 2026, Iris has a Relevant Interest in 96.33% of the Units (due to the receipt of acceptances under the Offer, in addition to the Units that it already owns).

(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, honesty 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.

In connection with the Initial Iris Off-Market Takeover Bid, Iris sought and obtained the necessary consents and approvals under applicable Government regulation to acquire the Units, RCSL and the Operator and to the appointment of its nominees to the board of RCSL. Iris and RCSL also sought and obtained the required Ministerial and Governor in Council approvals under the Casino Agreements. It is not anticipated that any further approvals or consents are required in connection with the Offer, having regard to the approvals and consents obtained in connection with the Initial Iris Off-Market Takeover Bid.

(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 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. Certain legislative changes

that impact Queensland casinos have been enacted but have not yet come into effect. Legislative and regulatory changes are outside of the control of RCT.

(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. In accordance with Iris' disclosures in respect of the Initial Iris Off-Market Takeover, a strategic review of the operation of the Reef Hotel Casino is being undertaken. In connection with this review, designers and architects are being commissioned to produce design concepts in respect of the casino area. Relevant contractors will be engaged early in the process to coordinate, support and de-risk delivery of any eventual project works. RCT may be adversely

impacted if there are significant increases in the cost of related materials or labour or the expected incremental benefits are not achieved.

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

(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 data (i.e. legal costs) and any costs arising from the imposition of a fines or penalties 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.

In its Bidder's Statement (and in the bidder's statement in respect of the Initial Iris Off-Market Takeover Bid), Iris has noted that distributions paid to Unitholders in future may be lower than the level of distributions paid in accordance with recent practice for RCT.

(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 on 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.

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.

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 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

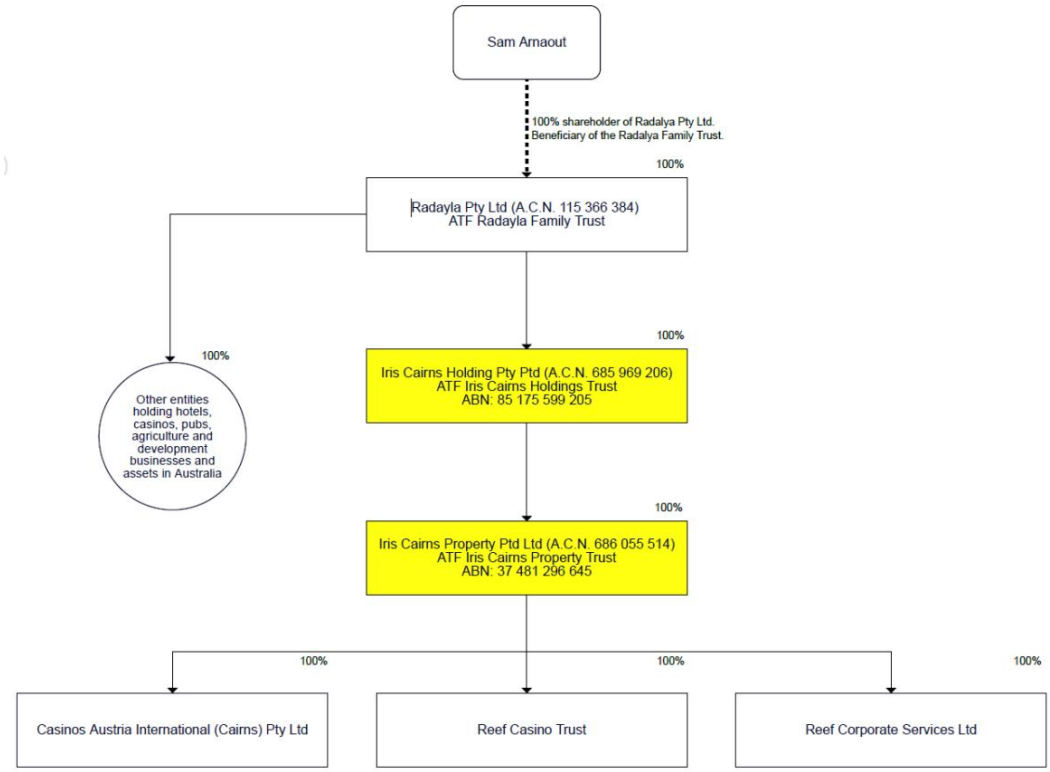
If RCT is required to raise capital in the future by issuing additional equity, it may be unable to do so (or to do so at a reasonable price). Restrictions on the ownership of equity under applicable legislation, the Trust Deed and the Casino Agreements may also reduce RCT's ability to raise capital 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 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). The Iris Cairns Holding Trust and the Iris Cairns Property Trust are special purpose trusts that were established for the purposes of the Initial Iris Off-Market Takeover Bid. All of the interests in these trusts are directly or indirectly owned by Radayla Pty Ltd as trustee for the Radayla Family Trust, which is the trust which directly or indirectly owns or controls the Iris Group. Iris owns 85.77% of the RCT Units which were acquired pursuant to the Initial Iris Off-Market Takeover Bid (and, together with Units the subject of acceptances under the Offer, has a Relevant Interest in 96.33% of the Units as at 21 October 2026) and owns 100% of the shares in RCSL and the Operator which were acquired on 14 August 2026.



As at the date of the Target's Statement, the sole director of Iris and Radayla Pty Ltd is Wassim (Sam) Arnaout. Mr 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 Offer Price of $4.67 represents a 28.29% premium to the volume weighted average Unit price of $3.6403 in this period.

The average volume of Units traded over the past 12 months (23 October 2025 to 22 October 2026 inclusive) was 5,470 Units per day.

In the month before the Announcement Date (24 August 2026 to 23 September 2026 inclusive) the average volume of Units traded per day was 3,240 Units.

In the period since the Announcement Date (24 September 2026 to 22 October 2026 inclusive) the average volume of Units traded per day was 7,034 Units.

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 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.

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

4.8 Minority ownership consequences

Iris currently holds a majority unitholding in RCT. As such, Unitholders who do not accept the Offer will remain minority Unitholders in RCT (unless Iris is entitled to proceed to compulsorily acquire any remaining Units, which Iris has noted that it intends to do should it be entitled to do so). This has a number of implications, including:

- Iris will continue to control the Responsible Entity and the Operator;
- Iris will remain in a position to cast the majority of votes at a general meeting of RCT, subject to the Corporations Act;
- liquidity of Units will likely be lower than at present, and there will likely 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.

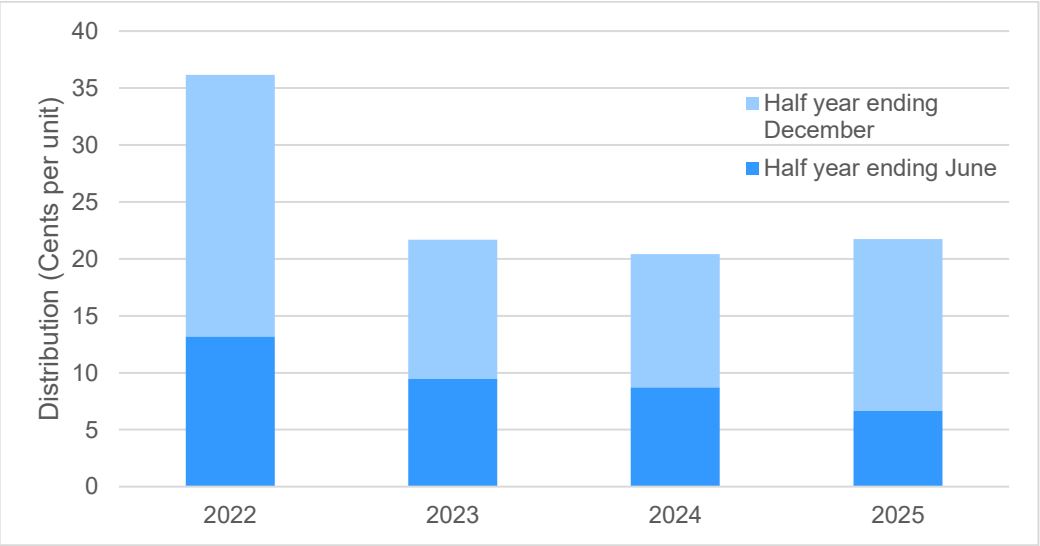
Under the terms of the Offer set out in section 10.5 of the Bidder's Statement, if you accept the Offer, Iris is entitled to acquire your Units together with any rights attaching to those Units (which will include the right to receive any distributions declared in respect of the Units). To the extent that any such distributions are declared and paid to you, Iris is

entitled to deduct the value of those distributions from the consideration payable to you for your Units.

However, having regard to RCT's usual practice in relation to the declaration and payment of distributions, it is not presently anticipated that any distributions will be declared or paid to Unitholders in the Offer Period (unless the Offer Period is extended in accordance with the Corporations Act).

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 2022 to 2025



Source: RCT Annual Reports 2022, 2023, 2024 and 2025.

4.10 Other alternatives to the Offer

Since the Announcement Date no Superior Proposal has emerged. However, there remains the possibility that an alternative proposal may be made after the date of this Target's Statement which is a Superior Proposal.

If a Superior Proposal is received, then the Superior Proposal may be recommended by the Independent Directors 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 (having regard to RCT's limited free float, trading liquidity and Iris' majority ownership).

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.

5 Your choices as a Unitholder

Your Independent Directors recommend that you accept the Offer (in the absence of a Superior Proposal and subject to the Independent Expert not withdrawing or revoking its opinion that the Offer is fair and reasonable to Unitholders, in the absence of a superior proposal).

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 (being the date immediately before the announcement of a non-binding, indicative proposal by Iris in relation to the Initial Iris Off-Market Takeover Bid), the Unit price closed at $2.73. Iris' Offer Price of $4.67 per Unit represents a 71.06% 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 96.45% 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 6.11 of this Target's Statement for further details). Iris has a Relevant Interest in 96.33% of the Units as at 21 October 2026.

Even if Iris is not entitled to exercise the compulsory acquisition rights described above, Iris may also have the right to compulsorily acquire Units not owned by it within 6 months of becoming the full beneficial holder of 90% of the Units.

6 Key features of Iris' Offer

6.1 Consideration payable to Unitholders who accept the Offer

The consideration being offered by Iris is $4.67 for each Unit.

6.2 Unconditional offer

Iris' Offer is not subject to any conditions.

6.3 Offer Period

Unless Iris' Offer is extended or withdrawn, it is open for acceptance from 8 October 2026 until 7.00pm (Sydney time) on 9 November 2026.

The circumstances in which Iris may extend or withdraw its Offer are set out in section 6.4 and section 6.5 respectively of this Target's Statement.

6.4 Extension of the Offer Period

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.

If this is the case, the Offer Period is automatically extended so that it ends 14 days after this occurs.

6.5 Withdrawal of Offer

Iris may not withdraw the Offer if you have already accepted it. 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.

6.6 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.

6.7 Your ability to withdraw your acceptance

If you accept the Offer, your acceptance is irrevocable and you will not be entitled to withdraw your acceptance of the Offer.

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

In the usual case, you will be paid your consideration on or before one month after the date you accept the Offer but, in any event, no later than 21 days after the end of the Offer Period.

6.9 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.

6.10 Lapse of Offer

The Offer will lapse at the end of the Offer Period. In this case, 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.

6.11 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 96.45% of the Units (being at least 75% by number of the Units that Iris offered to acquire under the Offer), unless Iris applies to the Court to compulsorily acquire those Units at a lower threshold.

If this threshold is met, Iris will have up to one month after the end of the Offer Period 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 be entitled to exercise a separate right of compulsory acquisition within six months after Iris becomes the full beneficial holder of at least 90% of the Units (even if Iris only achieves a Relevant Interest at the end of the Offer Period in less than 96.45% of the Units). Iris' price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

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 2026 was lodged with the ASX on 28 August 2026. Other than those disclosed below or as referred to in the Independent Expert's Report, there have been no material changes to the financial position of RCT since this report was released to the ASX.

Since the date of RCT's most recent half-year report for the period ending 30 June 2026, in the ordinary course of RCT's business, RCT has drawn down upon its $15.0 million facility with Bank of Queensland to pay various transaction-related costs, fund capital expenditure and maintain liquidity.

7.2 Most recent full-year report

RCT's last published audited annual financial statements are for the financial year ended 31 December 2025 and were lodged with ASX on 20 February 2026.

In the Chair's review in the preliminary final report (given to the ASX under listing rule 4.3A on 20 February 2026), it is disclosed that during 2025 RCT reported a distributable profit of $10.820 million, a 6.4% increase on the previous financial year, due to rental and other revenue increase of 4.8%. The total Unit distribution declared for the financial year ended 31 December 2025 was 21.73 cents per Unit. The distributable earnings per Unit for the financial year ended 31 December 2025 were 21.73 cents. The actual distribution for the 2025 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 23 March 2026, RCT published its Annual Report for the year ended 31 December 2025 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.

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:

Director	Number of Units held directly	Number of Units held indirectly
Ms Wendy Morris	-	-
Ms Abigail Cheadle	-	-
Mr Wassim Arnaout	-	47,971,653

Director	Number of Units held directly	Number of Units held indirectly
Mr Rod Hawkins	-	-
Ms Melissa Sheehan	-	-
Mr Brendan Jones	-	-
Total	-	47,971,653

(b) Dealings in Units

Wassim Arnaout acquired a Relevant Interest in 47,961,653 Units in the 4-month period ending on the date immediately before the date of this Target's Statement, pursuant to the completion of the Initial Iris Off-Market Takeover Bid and acceptances of the Offer.

(c) Interests in Iris' securities

Iris is wholly owned and controlled by Iris Cairns Holding Pty Ltd as trustee for the Iris Cairns Holdings Trust, which is in turn wholly owned by Radayla Pty Ltd (ACN 115 366 384) as trustee for the Radayla Family Trust. Mr Arnaout is the sole shareholder and sole director of Radayla Pty Ltd and the appointor of the Radayla Family Trust. Radayla Pty Ltd as trustee for the Radayla Family Trust indirectly controls Iris and Mr Arnaout has a relevant interest in the RCT Units in which Iris has a relevant interest.

8.2 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 Bodies Corporate 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.

(c) Benefits from Iris

None of the Independent Directors has agreed to receive, or is entitled to receive, any benefit from Iris which is conditional on, or is related to, the Offer.

The Non-Independent Directors are each a nominee of Iris. Mr Arnaout is the Chief Executive Officer of Iris, Mr Jones is the Chief Strategy Officer of Iris, Mr Hawkins is the General Counsel of Iris and Ms Sheehan is the Chief Financial Officer of Iris. The Non-Independent Directors may be entitled to receive performance-related bonuses from Iris which relate to the outcome of the Offer.

(d) Interests of Directors in contracts with Iris

None of the Independent Directors has any interest in any contract entered into by Iris.

The Non-Independent Directors are each a nominee of Iris. Mr Arnaout is the Chief Executive Officer of Iris, Mr Jones is the Chief Strategy Officer of Iris, Mr Hawkins is the General Counsel of Iris and Ms Sheehan is the Chief Financial Officer of Iris. The Non-Independent Directors are therefore party to contracts with Iris in relation to their engagement as executives of 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.

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

To the best of RCT's knowledge, none of the material contracts to which RCT is a party contain 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, profits and losses and prospects of RCT.

In connection with the Initial Iris Off-Market Takeover Bid under which Iris acquired control of RCT, RCSL and the Operator, change of control consents were obtained under the Casino Agreements, Bank of Queensland facility to which RCSL (as responsible entity for RCT) is party, leases entered into between RCSL (in its capacity as responsible entity of RCT) and the Operator for the operation of the Complex and certain material supplier contracts.

10.2 Material litigation

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

10.3 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 Iris and are not listed on the ASX and are subject to restrictions on transfer as set out in the Casino Agreements.

10.4 Substantial holders

As at 21 October 2026, each of the following persons was a substantial holder of Units:

Unitholder	Number of Units	Relevant Interest (%) in Units
Iris	47,971,653	96.33

10.5 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 & 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.

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.

Neither Herbert Smith Freehills Kramer 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 2026/89*, 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 2026/89* 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 2026/89*, this Target's Statement contains Unit price trading data sourced from IRESS without its consent.

10.6 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 set out below.

Term	Meaning
Announcement Date	announcement of the receipt of Iris' unconditional off-market offer to acquire all the Units in RCT made to the ASX after close of trading on 24 September 2026.
ASIC	Australian Securities and Investments Commission.
Associate	has the meaning given in the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691).
Bidder's Statement	the statement of Iris under Part 6.5 Division 2 of the Corporations Act relating to Iris' Offer dated 24 September 2026.
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.

Term	Meaning
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.
Casino Licence	the licence in respect of RCT issued pursuant to the *Casino Control Act 1982* (Qld), as amended from time to time.
CGT	Capital gains tax.
Complex	the Reef Hotel Casino Complex in Cairns, North Queensland.
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.
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 by Iris.
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.

Term	Meaning
Independent Expert's Report	the independent expert's report prepared by the Independent Expert and dated 23 October 2026 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 Initial Off-Market Takeover Bid.
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.
Listing Rules	the Official Listing Rules of the ASX, as amended and waived.
Non-Independent Directors	• Mr Wassim Arnaout; • Mr Rod Hawkins; • Ms Melissa Sheehan; and • Mr Brendan Jones.
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	$4.67 for each Unit.
Operator	Casinos Austria International (Cairns) Pty Limited ACN 062 222 011.
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.
Related Body Corporate	has the meaning it has in the Corporations Act.

Term	Meaning
Relevant Interest	has the meaning it has in the Corporations Act.
Rights	has the meaning given in section 11.1 of the Bidder's Statement.
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'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.
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.
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 23 October 2026

sign here ►

print name Wendy Morris

position Chair, Reef Corporate Services Limited

Corporate directory

RCSL

35-41 Wharf Street

CAIRNS QLD 4870

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

ASX:RCT

Australian legal adviser

Herbert Smith Freehills Kramer

Level 32, 360 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**.

LONERGAN EDWARDS
& ASSOCIATES LIMITED

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

23 October 2026

Subject: Takeover offer for the Reef Casino Trust

Dear Independent Directors

Introduction

1 In 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. 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 In July 2025, RCSL and Iris entered into a takeover bid implementation agreement under which Iris proposed to acquire all the ordinary units in RCT for $3.5541 cash per unit. The proposed acquisition subsequently developed into a competitive bidding process involving Iris and the Morris Group[1]. Following the Morris Group's competing proposal of $3.70 per unit on 28 July 2025, Iris increased its offer to $3.72 per unit, the Morris Group increased its proposal to $3.85 per unit, and Iris ultimately increased its offer to $3.87 per unit on 28 August 2025 (First Takeover Offer).

3 The First Takeover Offer of $3.87 per unit implied a total equity value for RCT of approximately $192.7 million and was subject to a number of conditions including Iris' acquisition of RCSL and CAIC for consideration of approximately $10.9 million and $33.0 million respectively.

4 The First Takeover Offer opened to acceptances on 12 September 2025[2]. Following the receipt of the required regulatory approvals and satisfaction or waiver of the remaining offer conditions, including the minimum acceptance condition, Iris declared its offer unconditional

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

2 The Morris Group never made a formal offer that was capable of acceptance by RCT unitholders.

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

in August 2026. The First Takeover Offer closed on 14 August 2026, with Iris holding a relevant interest in 85.77% of RCT units and Iris acquiring both RCSL and CAIC.

5 As Iris did not reach the 90% compulsory acquisition threshold, it was unable to compulsorily acquire the RCT units held by unitholders that did not accept the First Takeover Offer.

6 After the close of trading on 24 September 2026, Iris announced a new unconditional off-market takeover offer for all the units in RCT that it did not already own, at an offer price of $4.67 cash per unit (the Offer). The bidder's statement in respect of the Offer was lodged with the Australian Securities & Investments Commission (ASIC) after the close of trading on the same day (Bidder's Statement).

7 The Offer values the total equity in RCT at approximately $232.6 million.

8 The Offer opened to acceptances on 8 October 2026 and is currently scheduled to close at 7:00pm (Sydney time) on 9 November 2026, unless extended or withdrawn in accordance with the *Corporations Act 2001* (Cth) (Corporations Act).

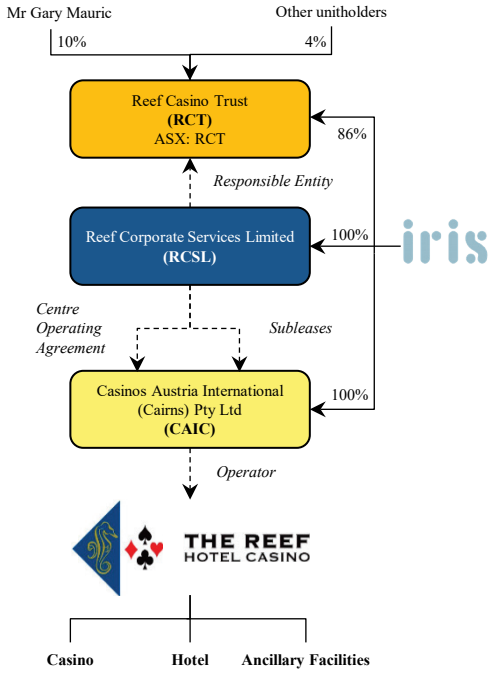
RCT

9 RCT is a single purpose trust listed on the Australian Securities Exchange (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.

10 The Complex is located on the waterfront in Cairns, North Queensland (QLD) and comprises the Reef Hotel Casino (the Casino), the Reef Hotel Casino Cairns – Handwritten Collection (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.

11 A diagrammatic representation of the Reef Group comprising RCT, RCSL and CAIC and the ownership structure immediately prior to the announcement of the Offer is set out below:

Reef Group – ownership and operational structure (prior to the Offer)(1)(2)



Note:

1 Iris owns 42.7 million units in RCT (including 740,000 Founder units) as well as 100% of RCSL and CAIC.

2 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, the interest excludes the 0.1% and 0.1% held by Mr Vincent Mauric and Ms Rita Mauric respectively.

Iris and Iris Capital Group[3]

12 Iris is wholly owned by the Iris Capital Group, 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. The Iris Capital Group owns three casinos: Casino Canberra, a casino located in the central business district of Canberra and the first legal casino to open in Australia; Lasseters in Alice Springs; and Christchurch Casino, a casino located in centre of Christchurch and the first legal casino to open in New Zealand[4]. The Iris Capital Group is now also the majority owner of the Reef Casino.

Purpose of the report

13 As Iris' interest in RCT exceeds 30% and it has representation on the RCSL Board, s640 of the Corporations Act requires RCT's target's statement in respect of the Offer to be accompanied by an independent expert's report (IER). Accordingly, the Independent Board Committee (IBC) of RCSL[5] 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.

3 Comprising Iris Capital Ltd and its controlled entities (Iris Capital Group).

4 As part of the Christchurch Casinos (2025) transaction, Iris Capital Group also acquired a 33% interest in Dunedin Casino.

5 As responsible entity of RCT.

14 LEA is independent of RCT and Iris and has no other involvement or interest in the outcome of the Offer, other than the preparation of this report.

Summary of opinion on Offer

15 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"

16 We have assessed the value of RCT units on a 100% controlling interest basis at $3.81 to $4.18 per unit, as shown below:

RCT – valuation summary[1]

	Paragraph	Low $m	High $m
Enterprise value	129	203.5	222.0
Other assets / (liabilities)	136	(6.9)	(6.9)
Net debt	138	(7.1)	(7.1)
Equity value – controlling interest basis		189.5	208.0
Units on issue (millions)[2]	139	49.8	49.8
RCT value per unit – controlling interest basis ($)		3.81	4.18

Note:
1 Rounding differences may exist.
2 Fully paid ordinary units on issue including the 740,000 Founder units held by Iris.

17 The consideration offered by Iris under the Offer is $4.67 cash per RCT unit.

18 Pursuant to ASIC Regulatory Guide 111 – *Content of expert reports* (RG 111)[6], 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	4.67	4.67	4.67
Value of 100% of ordinary units in RCT	3.81	4.18	3.99
Extent to which the Offer consideration exceeds (or is less than) the value of the units in RCT	0.86	0.49	0.68

19 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.

Assessment of "reasonableness"

20 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.

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

21 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 provides RCT unitholders with a premium to market prices that is, at least commensurate with, and more likely materially above, the range of observed premiums generally paid in successful takeovers in Australia

(c) at the date of this report, Iris holds approximately 96.3%[7] of the RCT units on issue. While in theory it is still possible for a third party to submit a competing acquisition proposal, in practical terms, RCT unitholders should note that the probability of such a proposal emerging is extraordinarily remote

(d) if the Offer lapses and no higher offer or alternative proposal emerges, we expect that, at least in the short term, RCT units will, in theory, trade at a discount to the Offer consideration and our valuation due to the difference between the value of RCT units on a portfolio or minority interest basis and their value on a 100% controlling interest basis[8]

(e) if Iris does not achieve the level of acceptances required to compulsorily acquire the remaining RCT units, RCT unitholders who do not accept the Offer will remain minority unitholders in an entity controlled by Iris. In that regard, RCT unitholders should note that:

    (i) Iris has sufficient voting power to pass special resolutions

    (ii) Iris has indicated that future distributions are likely to be lower than those previously paid by RCT and they may not be paid at all

    (iii) trading liquidity is likely to be very limited

    (iv) Iris has stated that it intends to seek to have RCT delisted from the ASX. If this were to occur, remaining unitholders would become minority unitholders in an unlisted entity that has no active market to facilitate the sale of their units

(f) there can be no assurance that Iris will make a further offer if it does not acquire 100% of the units under the Offer and even if it does, that the offer will be at a price that exceeds the Offer consideration.

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7 As per the *Notice of change of interests of substantial holder* lodged by Iris on 14 October 2026 and the *Change of Director's Interest Notice* lodged by Mr Wassim Arnout on 21 October 2026.

8 Noting however, that the price at which RCT units may trade will ultimately depend on a variety of factors. For example, the market may assume that Iris will return with a further third offer to acquire the remaining units, as appeared to be the case following the close of the First Takeover Offer. If this expectation were to prevail, RCT units may not trade at prices substantially below the Offer consideration. Conversely, if the market assumes that no further offer will be made, RCT units are likely to trade at prices substantially below the Offer consideration and our valuation range.

General

22 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.

23 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, unitholders should seek independent professional advice.

24 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

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A **Financial Services Guide**

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I Scope of our report

Purpose

25 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.

26 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.

27 Iris' interest in RCT was greater than 30% at the time it sent the Bidder's Statement to RCT. It also has representation on the RCSL Board (being the responsible entity of RCT). Accordingly, there is a statutory requirement for RCT to obtain an IER.

28 Given 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 and the reasons for that opinion. Our report will accompany the Target's Statement to be sent to RCT unitholders.

29 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.

30 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, unitholders should seek independent professional advice.

Basis of assessment

31 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).

32 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".

33 **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[9]). 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.

34 **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.

35 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 Offer consideration

(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

(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

(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.

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9 Although the 100% controlling interest 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).

Limitations and reliance on information

36 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.

37 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.

38 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.

39 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.

40 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 entities. 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.

41 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.

II Profile of RCT

Overview

42 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.

43 The Complex is located on the waterfront in Cairns, North QLD and comprises the Reef Hotel Casino (the Casino), the Reef Hotel Casino Cairns – Handwritten Collection (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.

44 A diagrammatic representation of the Reef Group (comprising RCT, RCSL and CAIC) and the ownership structure immediately prior to the announcement of the Offer is set out at paragraph 11.

History

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

RCT – history	
Date	**Key development**
Jan 92	• QLD Government called for submissions from parties for the right to build and operate a casino in Cairns
Jul 93	• RCT formed by founding companies Casinos Austria International Limited (CAIL), Country Comfort Trust No 1, Australian Olympic Committee and Touraust Corporation Pty Ltd
Dec 93	• QLD 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 Casino Investments (Australia) Limited (Accor). CAIL's wholly owned subsidiary CAIC became sole lessee / operator of the Complex. Once Accor obtained probity clearance from the QLD 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 QLD 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 and Aug 25	• A series of escalating competing proposals were put forward by the Morris Group and Iris • Iris made a formal takeover offer (First Takeover Offer) for RCT for $3.87 cash per unit. The Morris Group never made a formal offer that was capable of acceptance by RCT unitholders

RCT – history	
Date	**Key development**
Aug 26	• First Takeover Offer closed, with Iris holding 85.77% of RCT units on issue. Iris also acquired 100% of RCSL and CAIC • The Pullman Reef Hotel Casino Cairns was rebranded to The Reef Hotel Casino Cairns – Handwritten Collection
Sep 26	• Received unconditional offer from Iris to acquire all the remaining RCT units on issue

Arrangements with CAIC

46 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 licence, 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 can commence at any time during the final 10 years of the current lease. Upon being granted the lease, RCT paid $53 million to the QLD Government as a lump sum prepayment of the rent for the entire 75 year lease term.

47 The Complex is subleased to CAIC as operator of the Complex under casino, hotel and ancillary facilities lease agreements. The subleases to CAIC are 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[10]. 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 fees[11], 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.

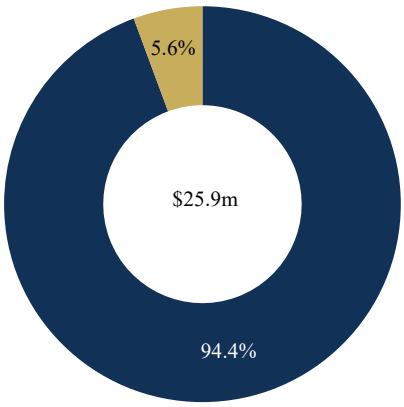
48 As noted above, the rent that RCT receives from the sublease of the Complex to CAIC comprises base rent and contingent rent components (the latter of which effectively depends on the financial performance of the Complex). The majority (over 90%) of the total rental income is derived from the contingent 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 during the last 12 months to 30 June 2026 (LTM26) split by base and contingent rent and operations type:

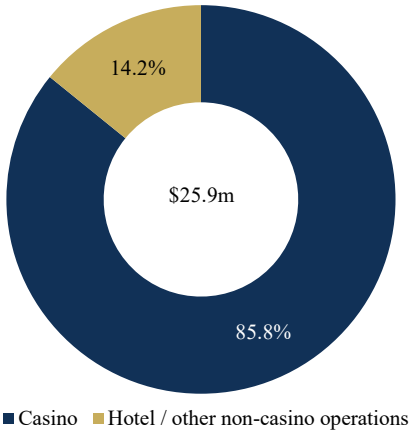
10 These conditions broadly require that Iris continue to hold an interest in RCT of not less than 50%.

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

RCT – rental income in LTM26

Contingent versus base rent	Casino versus Hotel / other non-casino operations





Source: RCT CY25 Annual Report and 2026 Half-Year (1H26) Report.

49 The basis for the calculation of base rent and contingent rent payable to RCT is as follows:

(a) base rent – indexed on a yearly basis and recognised on a straight-line basis over the lease term[12]

(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[13])

(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

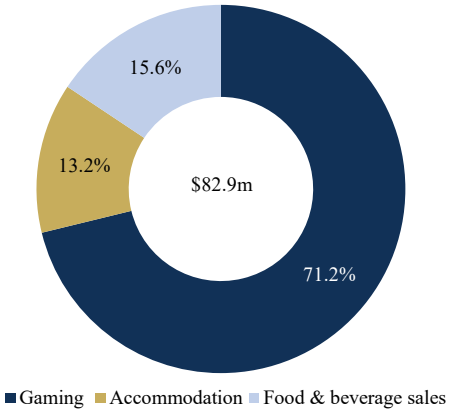
50 The Complex is located on the waterfront in Cairns and generates revenue from gaming as well as accommodation and food and beverage sales, servicing approximately 950,000 visitors over LTM26. The split of revenue by type in LTM26 and the number of visitors received by the Complex over the 12 months ended 31 December 2022 (CY22) to LTM26 is set out below:

12 As at 31 December 2025, the indexed base rents were approximately $1.150 million for the Casino, $0.345 million for the Hotel and $230.960 for the central facilities.

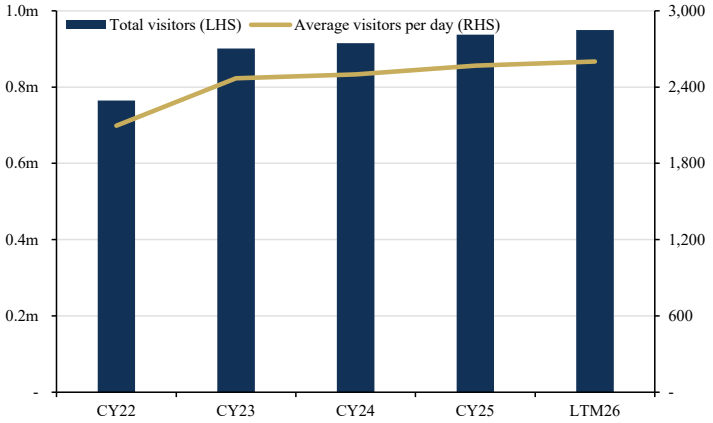
13 Net operating income calculated as gross revenues (excluding interest) less operating costs.

The Complex – revenue split and visitor numbers

Complex revenue split (LTM26)



Complex visitors



Source: CAIC CY25 Annual Report and CAIC December 2025 and June 2026 Management Reports.

51 The Casino offers table games across 38 tables, 443 electronic gaming machines (EGM)[14], TAB wagering facilities and a Keno lounge. Approximately 78% of the gaming revenue is generated from EGMs, 22% 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 CY22 to LTM26 are set out below:

The Complex – gaming drop / turnover

EGM turnover and hold rate

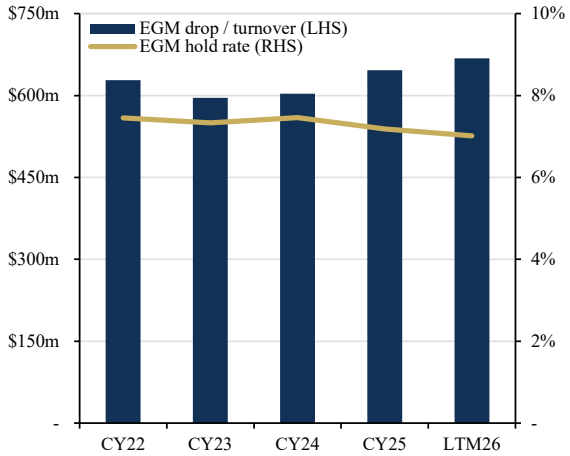
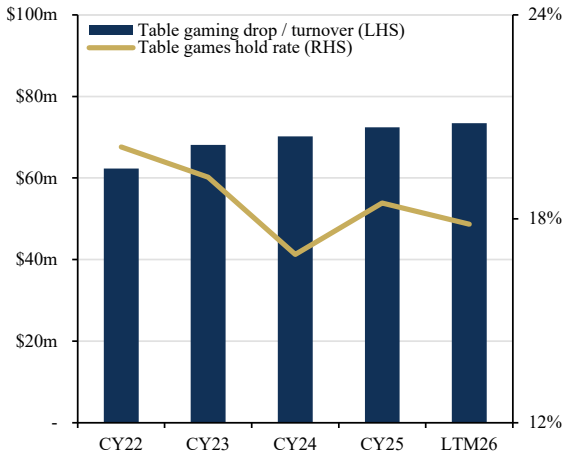


Table games drop and hold rates



Source: CAIC December 2025 June 2026 Management Reports.

52 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.

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

53 The Casino has, since the First Takeover Offer, initiated the acquisition of a number of new EGMs and casino management system. The new machines and management system will be progressively installed from and including the fourth quarter of CY26.

54 The Reef Hotel Casino Cairns – Handwritten Collection is a five star hotel within the Accor network, comprising 128 rooms situated directly adjacent to the Casino. Its facilities include 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 CY22 to LTM26 are summarised below:

The Hotel – key operating metrics	CY22	CY23	CY24	CY25	LTM26
No. of rooms available (#)	46,355	46,355	46,817	46,720	46,720
Occupancy (%)	72.5%	76.1%	79.7%	86.5%	84.9%
Average room rate ($)	287.3	273.0	268.1	275.5	275.9
Revenue per available room ($)	208.3	207.8	213.8	238.1	234.1

55 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

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

Financial performance

56 The financial performance of RCT for the four years ended CY25 and LTM26 is set out below:

RCT – financial performance[1]	CY22 $000	CY23 $000	CY24 $000	CY25 $000	LTM26 $000
Rental income					
Casino operations	25,719	22,825	21,470	22,487	22,212
Hotel and other non-casino operations[2]	4,628	3,106	3,768	4,121	3,662
Total rental income[3]	30,347	25,931	25,238	26,608	25,874
Sundry income[4]	85	150	121	19	-
Total income	30,432	26,081	25,359	26,627	25,874
Management fees					
– Responsible entity fees	(1,158)	(1,278)	(1,343)	(1,352)	(1,338)
– Responsible entity director fees	(206)	(128)	(211)	(293)	(307)
Repairs and maintenance	(1,760)	(3,154)	(2,766)	(1,587)	(1,233)
Property outgoings	(1,094)	(1,454)	(1,482)	(1,438)	(1,442)
Insurance	(1,849)	(2,078)	(2,249)	(2,370)	(2,221)
Rates and taxes	(772)	(798)	(817)	(796)	(770)
Other expenses	(1,036)	(1,160)	(1,307)	(1,142)	(1,066)
Total expenses	(7,875)	(10,050)	(10,175)	(8,978)	(8,377)

RCT – financial performance[1]	CY22 $000	CY23 $000	CY24 $000	CY25 $000	LTM26 $000
EBITDA[5]	22,557	16,031	15,184	17,649	17,497
Depreciation & amortisation (D&A)	(4,567)	(4,897)	(5,071)	(5,425)	(5,509)
EBIT[5]	17,990	11,134	10,113	12,224	11,988
Net finance costs	(4)	123	55	(76)	(142)
Non-recurring items	-	(515)[6]	-	(1,328)[7]	(1,028)[7]
Distributable profits	17,986	10,742	10,168	10,820	10,818
Finance costs attributable to unitholders[8]	(8,993)	(5,371)	(5,084)	(5,410)	(5,409)
Profit for the year	8,993	5,371	5,084	5,410	5,409
Total distributions paid	*18,013*	*10,802*	*10,170*	*10,821*	*10,822*
Distributions per unit (cents)	*36.2*	*21.7*	*20.4*	*21.7*	*21.7*

Note:

1 Rounding differences may exist.

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

3 Split between base and contingent rental as follows:

Base rent	1,243	1,339	1,396	1,421	1,457
Contingent rent	29,104	24,592	23,842	25,187	24,417
Total rental income	30,347	25,931	25,238	26,608	25,874
Contingent rent / total rent (%)	95.9	94.8	94.5	94.7	94.4

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); earnings before interest and tax (EBIT).

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 First Takeover Offer (and the Morris Group's various counter offers), 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 CY22 to CY25 Annual Reports and 1H25 to 1H26 Reports.

57 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 remained below CY22 as a result of lower profit generated by the Complex's operations, noting that:

(i) 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

(ii) 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

(iii) CY25 – visitation increased by 2.5%, driven by increased promotional activities and strong local and domestic visitor numbers during the high season. EGM revenue increased by 2.9%, whilst table gaming revenue increased by 13.6% due to higher win rates and higher drop primarily from local and domestic visitors. In addition, the casino supervisory levy and costs in relation to achieving regulatory uplift requirements resulted in higher costs

(iv) 1H26[15] – visitation increased by 2.7%, driven by increased promotional and entertainment activities and strong local and domestic visitor numbers. However, international visitors remained below pre-pandemic levels. EGM revenue increased by 2.1%, whilst table gaming revenue increased by 4.5% due to support from local and domestic visitors, however premium play results were weaker due to a lower win rate and a reduction in the number of premium players

(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%)[16], 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 generally steadily increased year-on-year to CY24. Since then costs have either reduced (i.e. "Repairs and Maintenance" and "Other expenses"), or remained largely unchanged

(d) 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)

	CY22 $000	CY23 $000	CY24 $000	CY25 $000	LTM26 $000
Depreciation					
Building	1,498	1,812	1,793	2,137	2,157
Plant and equipment	2,226	2,252	2,445	2,557	2,630
Total depreciation	3,724	4,064	4,238	4,694	4,787
Amortisation					
Computer software	42	31	31	17	16
Site lease (2)	707	706	706	707	706
Carpark lease(3)	94	96	96	7	-
Total amortisation	843	833	833	731	722
Total D&A	4,567	4,897	5,071	5,425	5,509

15 The difference between 1H25 and 1H26 drives the difference between CY25 and LTM26.

16 The fees are paid quarterly.

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 CY22 to CY25 Annual Reports and 1H25 to 1H26 Reports.

Financial position

58 The financial position of RCT as at 31 December 2025 and 30 June 2026 is set out below:

RCT – statement of financial position[1]	31 Dec 25 $000	30 Jun 26 $000
Cash and cash equivalents	3,812	2,731
Trade and other receivables	3,339	3,690
Property, plant and equipment (PP&E)	96,358	99,194
Intangible assets	109	100
Total assets	103,618	105,715
Trade and other payables	(5,365)	(5,073)
Deferred income	(8)	(8)
Loans and borrowings	(1,001)	(5,501)
Total liabilities[2]	(6,374)	(10,582)
Net assets	97,244	95,133

Note:
1 Rounding differences may exist.
2 Total liabilities in the statement of financial position are higher as a result of the inclusion of a $85.051 million liability (being 50% of the paid up value of units on issue) pursuant to the 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 CY25 Annual Report and 1H26 Report; LEA analysis.

59 In regard 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 25 $000	30 Jun 26 $000
Rent receivable from lessee	2,497	1,830
Loan to lessee[1]	750	750
Prepayments and other debtors	92	1,110
Total	3,339	3,690

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

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

RCT – PP&E	31 Dec 25 $000	30 Jun 26 $000
Building & integral plant	51,322	50,254
Site lease (prepaid $53 million less accumulated amortisation)[1]	30,358	30,004
Plant & equipment	13,563	13,668
Work in progress	1,115	5,268
Net carrying amount	96,358	99,194

Note:
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.

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 25 $000	30 Jun 26 $000
Trade creditors and accruals	1,605	3,424
Accrued distributions[1]	3,760	1,649
Total	5,365	5,073

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 CY25 and 1H26 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 2026, RCT had a loan balance of $5.5 million drawn down on an available facility of $15.0 million with Bank of Queensland Ltd (BOQ). 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. Interest on the loan is payable at a fixed margin over BOQ's costs of funds and is calculated daily on the drawn down amount.

Unit capital and unit price performance

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

61 The units on issue include 740,000 restricted Founder units (held by Iris). Founder units are not listed on the ASX and can only be transferred with consent of the Founders[17], QLD'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

62 Prior to the announcement of the Offer, the ownership of RCT was concentrated amongst two significant unitholders, as follows:

RCT – significant unitholders

Unitholder	Units held (million)	Interest %
Iris	42.7	85.8
Mr Gary Mauric(3)	4.9	9.8

Note:
1 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, the interest excludes the 0.1% and 0.1% held by Mr Vincent Mauric and Ms Rita Mauric respectively.

Source: RCT CY25 Annual Report, Bidder's Statement and RCT Distribution Schedule and Top 20 Holders, dated 25 August 2026.

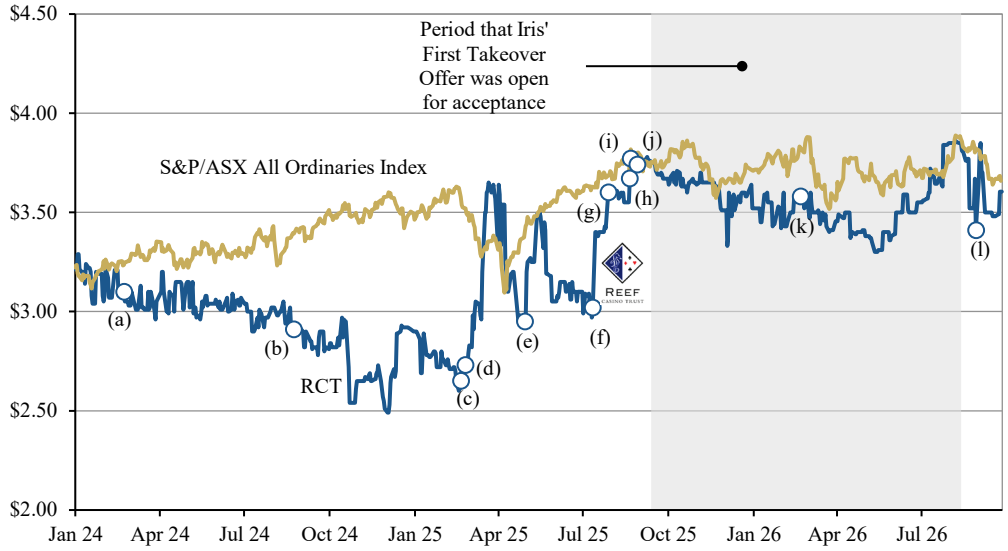
63 The RCT trust deed provides that no person (other than a Founder) can, without Ministerial approval, hold more than 5% of the total number of issued units at any time. According to the trust deed, a person is taken to hold a controlling interest in a corporation if the person, alone or together with 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, Iris is the only unitholder with a controlling interest by this definition.

Unit price performance

64 The following chart illustrates the movement in the unit price of RCT from 1 January 2024 to 24 September 2026 (being the last trading day prior to the announcement of the Offer):

17 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*".

RCT – unit price history[1]
1 January 2024 to 24 September 2026



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.

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

(a) **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

(b) **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

(c) **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

(d) **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

(e) **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

(f) **14 July 2025** – announced that RCT had entered into a takeover bid implementation agreement with Iris, under which Iris would make an off-market cash takeover bid to acquire all of the ordinary units in RCT at an offer price of $3.55 per unit

(g) **28 July 2025** – announced that an unsolicited, conditional and non-binding indicative proposal had been received from Morris Group to acquire all of the issued units in RCT by way of an off-market cash takeover at an offer price of $3.70 cash per unit

(h) **20 August 2025** – announced that Iris had increased its offer to $3.72 cash per RCT unit

(i) **21 August 2025** – announced that Morris Group had increased its offer to $3.85 cash per RCT unit. In addition, RCT released its 1H25 results, reporting revenue from ordinary activities (including interest income) of $11.2 million which was down from the $11.6 million reported for 1H24, with distributable profits 23.9% below 1H24, decreasing from $4.3 million to $3.3 million

(j) **28 August 2025** – announced that Iris had increased its offer to $3.87 cash per RCT unit and subsequently lodged its Bidder's Statement with ASIC on 29 August 2025 (the First Takeover Offer opened to acceptances on 12 September 2025)

(k) **20 February 2026** – released CY25 financial results, reporting a year-on-year increase in revenue from ordinary activities (including interest income) from $25.5 million to $26.7 million, and an increase in distributable profit of 6.4% from $10.2 million to $10.8 million

(l) **28 August 2026** – released 1H26 financial results, reporting revenue from ordinary activities (including interest income) of $10.5 million which was down from the $11.2 million reported for 1H25. Additionally, distributable profits were broadly consistent with 1H25 at $3.3 million.

Liquidity in RCT units

66 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) as well as the period 15 August 2026 (being the first trading day subsequent to the close of the First Takeover Offer) through to and including 24 September 2026 (being the last trading day prior to the announcement of the Offer) is set out below:

RCT – liquidity in units[1]

Period	Start date	End date	No of units traded 000	WANOU[2] outstanding 000	Implied level of liquidity Period[3] %	Annual[4] %
Prior to initial non-binding proposal from Iris:						
1 month	26 Jan 25	25 Feb 25	125	49,061	0.3	3.1
3 months	26 Nov 24	25 Feb 25	342	49,061	0.7	2.8
6 months	26 Aug 24	25 Feb 25	546	49,061	1.1	2.2
1 year	26 Feb 24	25 Feb 25	1,008	49,061	2.1	2.1
Prior to the announcement of the Offer:						
1.3 months	15 Aug 26	24 Sep 26	76	49,061	0.2	1.4

Note:
1 Rounding differences may exist.
2 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.
3 Number of shares traded during the period divided by WANOU.
4 Implied annualised figure based upon implied level of liquidity for the period.
Source: FactSet and LEA analysis.

67 As shown in the table above, the annualised unit turnover in RCT units is modest. RCT is not currently covered by any research analysts.

III Industry overview

Overview

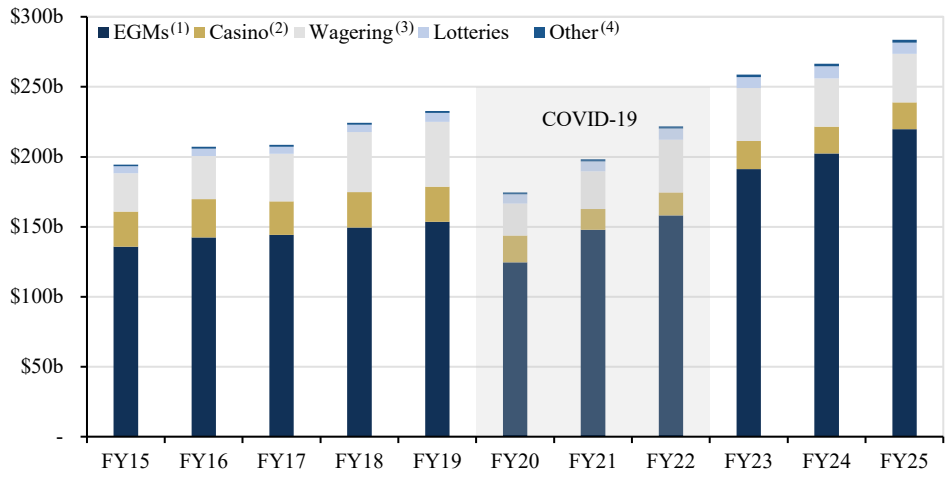
68 RCT operates within the casino segment of the broader Australian gambling industry. Casino and gaming businesses are predominantly engaged in the management and provision of gaming services to consumers, including the operation of land-based casinos, EGMs[18], lotteries, wagering, sports betting and increasingly, online (casino and sports betting) and mobile gaming platforms.

69 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

70 The turnover of the Australian gambling market, comprising land-based gambling and online / digital gambling, was estimated at some $283.6 billion in FY25[19]. Land-based gambling is a relatively mature market and has largely only grown in nominal terms (not real terms) over the past decade. The growth in Australian turnover by product split from FY15 to FY25 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 Includes online gambling, which the QLD Government Statistician's Office reclassified to wagering from FY24 onwards.
4 Represents turnover from Keno and Minor Gaming.
Source: QLD Government Statistician's Office, *Australian Gambling Statistics 41st Edition,* dated August 2026.

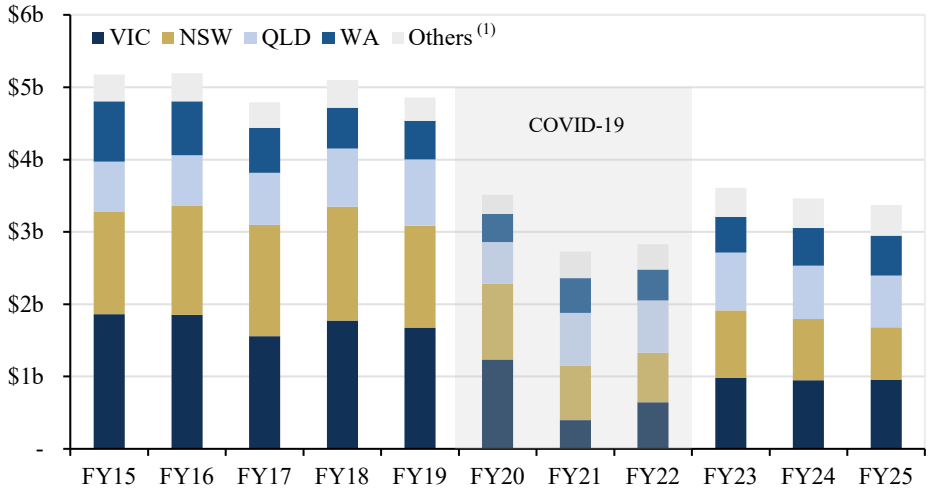
71 Gambling turnover from EGMs represents 77.5% of the total gambling turnover at $219.7 billion, while casinos represent 6.8% of total gambling turnover at $19.2 billion

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

(which also includes turnover from EGMs, with most casinos in Australia deriving over 50% of turnover from EGMs and in some instances over 70%)[20].

72 The largest gambling markets are NSW, QLD, Victoria (VIC) and Western Australia (WA), which recorded turnover of $145.8, $62.0, $45.2 and $10.2 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 FY15 to FY25 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 41st Edition,* dated August 2026.

73 Casino expenditure declined from its peak in FY16 after the international "VIP" business was curtailed due to the arrest of a dozen junket operators[21] 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. Casino expenditure remained subdued at $3.4 billion in FY25, impacted by the increase in online gambling and tighter regulatory requirements.

Economic model

74 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 73))

20 Latest available annual reports of Crown Resorts, The Star, RCT and SkyCity Entertainment Group Ltd (SkyCity).

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

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

75 Patronage in the gaming areas drives food and beverage consumption, and the VIP business contributes to hotel occupancy, high end food and beverage sales 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

76 The Australian casino industry is highly concentrated, with 14[22] casinos and 8 casino owners as set out below:

Casinos in Australia

Casino	Location	Operator	Tables	EGMs	Hotels	Rooms
The Star Sydney[(1)]	Sydney	THE STAR	174	1,490	2	612
The Star Gold Coast [(2)]	Gold Coast		95	1,409	3	1,163[(3)]
The Star Brisbane [(4)]	Brisbane	DESTINATION BRISBANE CONSORTIUM	150	1,602	1	340[(5)]
Crown Melbourne	Melbourne	CROWN RESORTS	540[(6)]	2,628[(6)]	3	1,604
Crown Perth	Perth		350[(6)]	2,500[(6)]	3	1,188
Crown Sydney[(7)]	Sydney		160	-	1	349
SkyCity Adelaide	Adelaide	SKYCITY ENTERTAINMENT GROUP	200[(6)]	1,080[(6)]	1	120
Mindil Beach Casino	Darwin	Delaware North	30+	600+	1	154
The Reef Hotel Casino	Cairns	iris	38	443	1	128
Casino Canberra[(7)]	Canberra		39	-	-	-
Lasseters	Alice Springs		28	400	1	205
The Ville Resort and Casino	Townsville	CLG	20+	370	1	194
Country Club Tasmania	Launceston	Federal Group	9	500[(6)]	2	182
Wrest Point Hotel	Hobart		22	477[(6)]	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 30 June 2027.

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 multiple times and is currently deferred until 31 March 2027 (the special manager's term was similarly extended to 31 March 2027).

3 The Star Gold Coast's $400 million Tower 2 expansion is nearing completion and will add a fourth 202-room hotel.

22 The NSW Independent Casino Commission suspended The Star Sydney's licence in October 2022 due to compliance failures.

4 On 28 August 2024, the Destination Brisbane Consortium (DBC) joint venture, of which The Star Entertainment Group Limited (The Star) then held a 50% interest, 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 31 March 2027. The Star Brisbane commenced operations on 29 August 2024. The Star subsequently completed the disposal of its interest in DBC on 1 April 2026, but continues to operate the casino on a fixed annual fee basis.
5 The first stage of The Star Brisbane opened on 29 August 2024, and once construction is completed it will have 900 rooms
6 Represents authorised capacity rather than installed amount.
7 Not permitted to operate EGMs under its licence.
Source: LEA analysis, QLD Government, NSW Government, NT Government, TAS Government, Australian Financial Review and company filings.

77 The Star and Crown Resorts Limited are the two largest casino operators in Australia, however, The Star is currently contending with multiple licence suspensions and financial difficulties[23]. The majority of the casinos operate as a monopoly within their respective areas with respect to domestic table game activities. Casinos face competition from pubs and clubs in relation to EGMs[24] and the hospitality market in relation to food and beverage, hotel operations, and conferences and events.

Key drivers

78 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 79 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.

23 While The Star's May 2026 refinancing of its debt with a US$390 million secured term loan from WhiteHawk Capital Partners (maturing May 2029) addressed the near term default risk under its previous facilities, The Star continues to report negative EBITDA and faces significant operational and regulatory uncertainty (including the outcome of current AUSTRAC penalty proceedings).

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

Regulatory environment

79 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 and territories only have one licensed operator (e.g. VIC, SA, WA, TAS and the ACT). Applicants pay fees and must 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.

80 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. There has been no change to regulations since the Liberal National Party won the QLD state election in October 2024.

Outlook

81 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 8.8 million in 2025 to 10.9 million by 2030[25].

82 While household spending is expected to remain under pressure as a result of higher inflation (caused in part, by the current Middle East conflict), an increasing interest rate environment and weak housing market conditions, real household disposable income is nonetheless forecast to grow by 2.0% in FY27 and 1.70% in FY28[26], supporting spending on discretionary services such as gambling. However, ongoing regulatory tightening, increased taxation, stricter licensing and advertising is expected to increase casino 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.

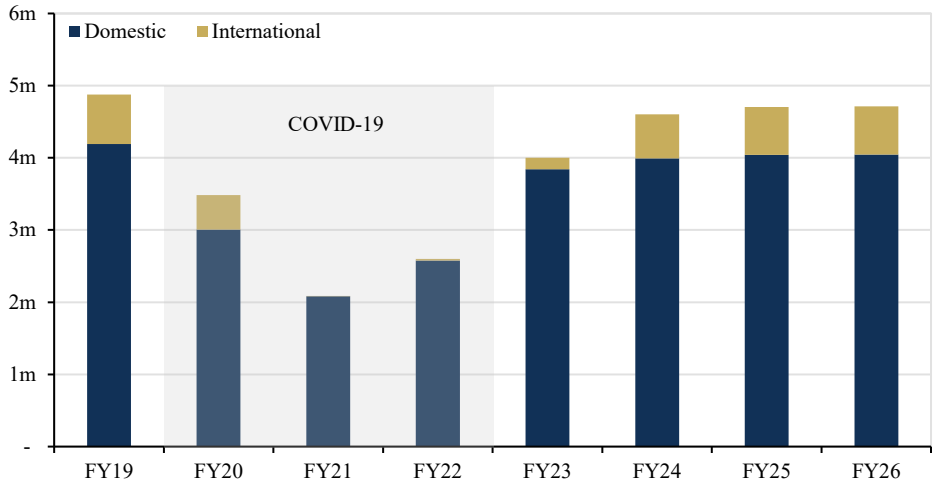
Cairns tourism and hotel industry

83 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

84 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 seven years to FY26 are set out below:

Cairns Airport – passenger movements



Source: Cairns Airport, *Cairns Airport financial year passenger totals,* accessed 25 September 2026.

85 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

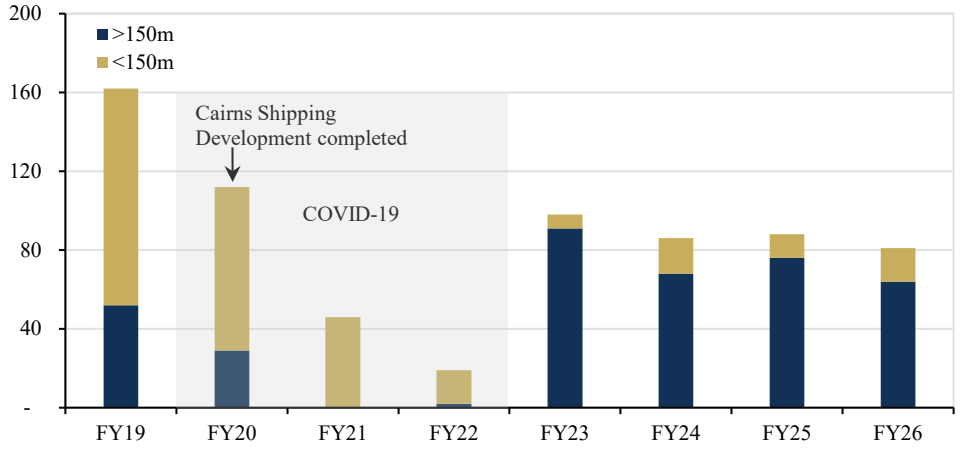
25 Tourism Research Australia, *Tourism forecasts for Australia: 2025 to 2030,* dated December 2025.

26 Reserve Bank of Australia, *Statement on Monetary Policy – August 2026*.

due to state and federal government COVID-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).

86 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 23% from FY19 to FY26 and, whilst FY26 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 seven years to FY26 are set out below:

Cairns Port – cruise ship arrivals



Source: Ports North, *Annual Report 2025-2026*.

Hotel Industry

87 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.

88 Occupancy rates across North QLD averaged only 60% for the year to March 2026 due to weather events such as Tropical Cyclone Narelle and Tropical Cyclone Koji as well as the fuel crisis caused by the current Middle East conflict[28]. Domestic and international visitors spent approximately 7.1 million nights and 6.2 million nights respectively (13.3 million in total), remaining below pre-pandemic level of approximately 18.2 million recorded in FY19[29]. In addition, average daily room rates in Cairns and Port Douglas have increased in excess of inflation from $171 in 2019 to $224 in 2024, and this is forecasted to grow to $270 per room by FY33 (occupancy is expected to average 74.2% over the period FY25 to FY33)[30].

27 Ports North, *Cairns Shipping Development Project,* https://www.portsnorth.com.au/ports-north-projects/cairns-shipping/#:~:text=The, accessed 29 September 2026.

28 Tourism Tropical North Queensland, *Annual Report 2025-26,* page 12.

29 Tourism Tropical North Queensland, *Annual Report 2025-26,* pages 9 to 10; *Annual Report 2023-24*.

30 Dransfield, *Hotel Futures 2025*, page 28.

IV Valuation of 100% of RCT

Overview

89 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).

90 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).

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

92 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

(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 42 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.

93 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.

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 for valuation purposes

94 In order to assess the appropriate level of EBITDA 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.

95 We set out below a summary of RCT's revenue, expenses and EBITDA / EBIT for the period CY22 to CY25 and LTM26, 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)]	CY22 $000	CY23 $000	CY24 $000	CY25 $000	LTM26 $000
Casino operations	25,719	22,825	21,470	22,487	22,212
Hotel and other non-casino operations	4,628	3,106	3,768	4,121	3,662
Total rental income	30,347	25,931	25,238	26,608	25,874
Sundry income	85	150	121	19	-
Total income	30,432	26,081	25,359	26,627	25,874
Total expenses	(7,875)	(10,050)	(10,175)	(8,978)	(8,377)
EBITDA	22,557	16,031	15,184	17,649	17,497
D&A	(4,567)	(4,897)	(5,071)	(5,425)	(5,509)
Add back amortisation of site lease	707	706	706	707	706
EBIT before amortisation of site lease	18,697	11,840	10,819	12,931	12,694

Note:
1 Rounding differences may exist.
2 Summarised financial performance before non-recurring items, per paragraph 56. 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 than the reported result (being $0.515 million in costs avoided plus $0.385 million in rent foregone).

96 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

(b) the expenses associated with the Complex (e.g. property outgoings, insurance etc.) are to some extent fixed and generally steadily increased year-on-year to CY24. Since then,

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 42 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.

costs have either reduced (i.e. "Repairs and Maintenance" and "Other expenses"), or remained largely unchanged

(c) the Complex's operations continue to be affected by inflation and high interest rates, and international tourism remains below pre-pandemic levels. In addition, heightened regulatory oversight will continue to 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 (under "Sundry income")

(e) we have been provided with the most recent CY26 forecast prepared by RCT / CAIC management. Whilst the individual components of the forecast are commercially sensitive and have not been disclosed in the report, we note that EBITDA is forecast to be marginally below LTM26 EBITDA

(f) the historical earnings (and the most recent CY26 forecast) do not reflect the estimated benefit of the roll-out of the Casino's newly acquired EGMs and casino management system (the acquisition of which was initiated subsequent to the First Takeover Offer).

97 Having regard to the above and, in particular, management's forecast EBITDA for CY26 and the anticipated impact of the roll-out of the new EGMs etc. (the capital expenditure for which is allowed for below under "Other assets / (liabilities)"), we have adopted EBITDA for valuation purposes of $18.5 million.

EBITDA multiple

98 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

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

Listed entity multiples

100 Whilst there are a number of casino operators in Australia (refer to paragraph 76), only The Star and SkyCity are listed on the ASX. Although operating in similar jurisdictions as RCT, The Star has suffered multiple licence suspensions and is facing significant ongoing financial difficulty (refer to paragraph 77) and has therefore been excluded from our analysis.

101 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[35] with market capitalisations of A$1 billion or less.

102 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 (Bally's) and PENN Entertainment, have significant exposure to online gaming, which further limits their comparability.

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

Listed company multiples[(1)(2)]

				EV / EBITDA[(5)]			EV / EBIT[(5)]		
Company	**Year end**	**EV[(3)] A$m**	**Gearing[(4)] %**	**FY25 x**	**FY26 x**	**FY27 x**	**FY25 x**	**FY26 x**	**FY27 x**
RCT	Dec	185	3.1	10.5	na	na	14.3[(6)]	na	na
SkyCity	Jun	863	31.5	6.5	6.6	5.5	15.7	16.5	11.0
Full House Resorts	Dec	693	92.9	10.5	8.7	7.3	nm	36.3	20.0
Century Casinos	Dec	543	94.2	12.1	9.2	8.5	nm	nm	nm

Note:

1 A brief description of each company's operations is set out at Appendix D.

2 Other than RCT and SkyCity, enterprise value (EV) and earnings multiples as at 21 October 2026, based upon latest available information. RCT as at 24 September 2026 (being the last trading day prior to announcement of the Offer). SkyCity as at 24 August 2026 (being the last trading day before it announced that it had received two unsolicited, conditional and non-binding acquisition proposals).

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 lease liabilities under Australian Accounting Standard AASB 16 – *Leases* (AASB) and international equivalents. Foreign currencies have been converted to AUD at the exchange rate prevailing as at 21 October 2026.

4 Gearing equals net debt divided by EV.

5 FY25 reflects historical earnings for all companies. FY26 and FY27 are based on forecast earnings, except for SkyCity, where FY26 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.

35 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.

104 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[36] 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).

105 In addition, we note that:

(a) the companies operate under different regulatory frameworks, which vary significantly by country and state

(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, and while SkyCity owns casino properties it leases the site of its Adelaide casino and related car park. Additionally, Century Casinos has a sale and lease back agreement in place for four 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 65% to 75% of their revenue from gaming operations. 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 heightened regulatory risk following $67 million in penalties imposed upon it from breaches of anti-money laundering and counter terrorism financing laws identified by AUSTRAC (as well as additional penalties from the New Zealand Department of Internal Affairs), introduction of carded play which reduced FY26 EBITDA by some $20 to $30 million in EBITDA, and a $21 million settlement with the South Australian Consumer and Business Services in relation to its Adelaide casino.

It is also worth noting that on 25 August 2026, SkyCity disclosed that it had received two unsolicited, conditional and non-binding proposals in May 2026 from Oaktree Capital Management (Oaktree) and a second undisclosed party. In this regard, we note:

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

(i) the proposals were subject to numerous conditions, including eight weeks of due diligence, the arrangement of debt financing, regulatory approval and agreement on transaction structure

(ii) the Oaktree offer was for NZ$0.70 cash per share, implying FY26 EBITDA and EBIT multiples of some 6.9 times and 16.7 times respectively. The second undisclosed party's offer was NZ$0.75 cash per share, implying FY26 EBITDA and EBIT multiples of some 7.3 times and 17.5 times respectively

(iii) the SkyCity board rejected both proposals, stating they undervalued SkyCity and contained problematic conditions. As noted at paragraph 105(e), the proposals were made amid pressure on earnings arising from mandatory carded play, weaker visitation, and the imposition of substantial regulatory penalties, as well as an asset monetisation program to reduce debt. Nonetheless, SkyCity remains engaged with both parties in relation to the proposals.

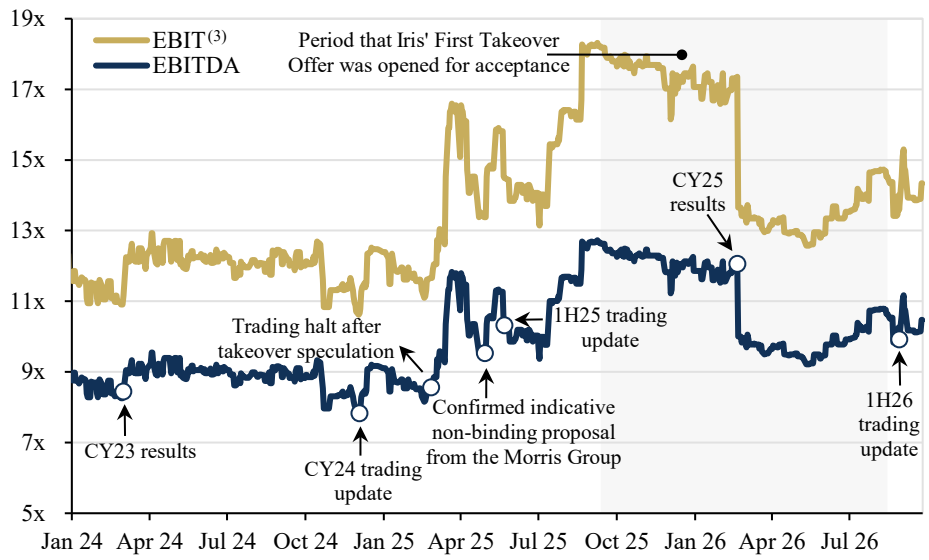
Separately, on 20 August 2026, SkyCity announced that it had commenced a strategic review of the Adelaide Casino business. Whilst SkyCity has received inquiries from parties interested in that asset, no offer for the Adelaide Casino business has been announced to date

(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

106 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 24 September 2026 (being the last trading day prior to the announcement of the Offer):

RCT – trailing EBITDA and EBIT multiples over time
1 January 2024 to 24 September 2026(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.

107 In respect of the above, we note that:

(a) prior to the announcement of the First Takeover Offer, RCT generally traded at 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% (at the equity level) 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

(c) RCT's trading multiples remained elevated following the close of the First Takeover Offer (at around 10 times to 11 times EBITDA and 13 times to 15 times EBIT), suggesting that the traded prices may have incorporated a partial or full control premium (RCT's point in time multiple at paragraph 103, which is calculated as at 24 September 2026, appear to be similarly elevated). This may have reflected an expectation that Iris would return with a further offer to acquire the remaining units. We also note that trading during this period was affected by a relatively limited free float, with Iris holding 85.8% of units on issue and Mr Gary Mauric holding a further 9.8%.

Prior acquisition offers for RCT

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

109 In this respect, we note that RCT has been the subject of two takeover offers for 100% of its units in recent history. The most recent offer was made by Iris in August 2025, with the earlier offer being made by Aquis in November 2013.

First Takeover Offer (August 2025)

110 An overview of Iris' First Takeover Offer can be found at paragraphs 1 to 5.

111 The following EBITDA and EBIT multiples were implied by the First Takeover Offer:

First Takeover Offer – implied EBITDA and EBIT multiples[1]	
	$m
Offer price per unit ($)	3.87
Units on issue (including Founder units) (000s)	49,801
Implied value of 100% of equity	192.7
Add other liabilities and net debt adopted by the expert[2][3]	6.8
EV	199.5
EBITDA adopted by the expert for valuation purposes[2]	15.3
EBIT adopted by the expert for valuation purposes[2]	10.5
Implied EBITDA multiple (times)	13.0
Implied EBIT multiple (times)	19.0

Note:
1 Rounding differences may exist.
2 LEA prepared the IER on the First Takeover Offer.
3 Other liabilities represent the assessed present value of one-off remediation costs ($5.3 million).
Source: RCT target's statement, released 29 September 2025.

112 In respect of the above, we note that:

(a) the First Takeover Offer was Iris' final offer in the competitive bidding process that developed between Iris and the Morris Group. The offer price of $3.87 per unit was some 9% greater than Iris' original offer of $3.5541 per RCT unit (on 14 July 2025)

(b) the implied historical EBITDA and EBIT multiples based upon the latest publicly available information at the time of the offer, being RCT's results for the 12 months to 30 June 2025[37], were broadly similar to those set out in the table above. The corresponding forward looking multiples would be lower, assuming some growth in earnings

(c) the implied EBITDA multiple of 13.0 times reflects some expectation of growth in earnings. If that growth is reflected in the earnings, rather than the multiple, the implied multiple reduces. For example, CY25 EBITDA and EBIT are higher than the earnings set out in the table above and the implied multiples reduce to approximately 11.3 times and 15.4 times respectively.

Aquis offer for RCT (November 2013)

113 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].

37 RCT's results for the first half of 2025 were published on 21 August 2025.

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

114 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 $	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.

115 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.

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

Aquis Offer – implied EBITDA and EBIT multiples[1]

	$m
Offer price per unit ($)	4.354
Units on issue (including Founder units) (000s)	49,801
Implied value of 100% of equity	216.8
Add net debt (total debt $5.6 million, less cash of $4.9 million)[2]	0.7
EV	217.5
EBITDA for CY13	18.8
EBIT for CY13 (adjusted to exclude amortisation of site lease)	15.1
Implied EBITDA multiple (times)[3]	11.5
Implied EBIT multiple (times)	14.4

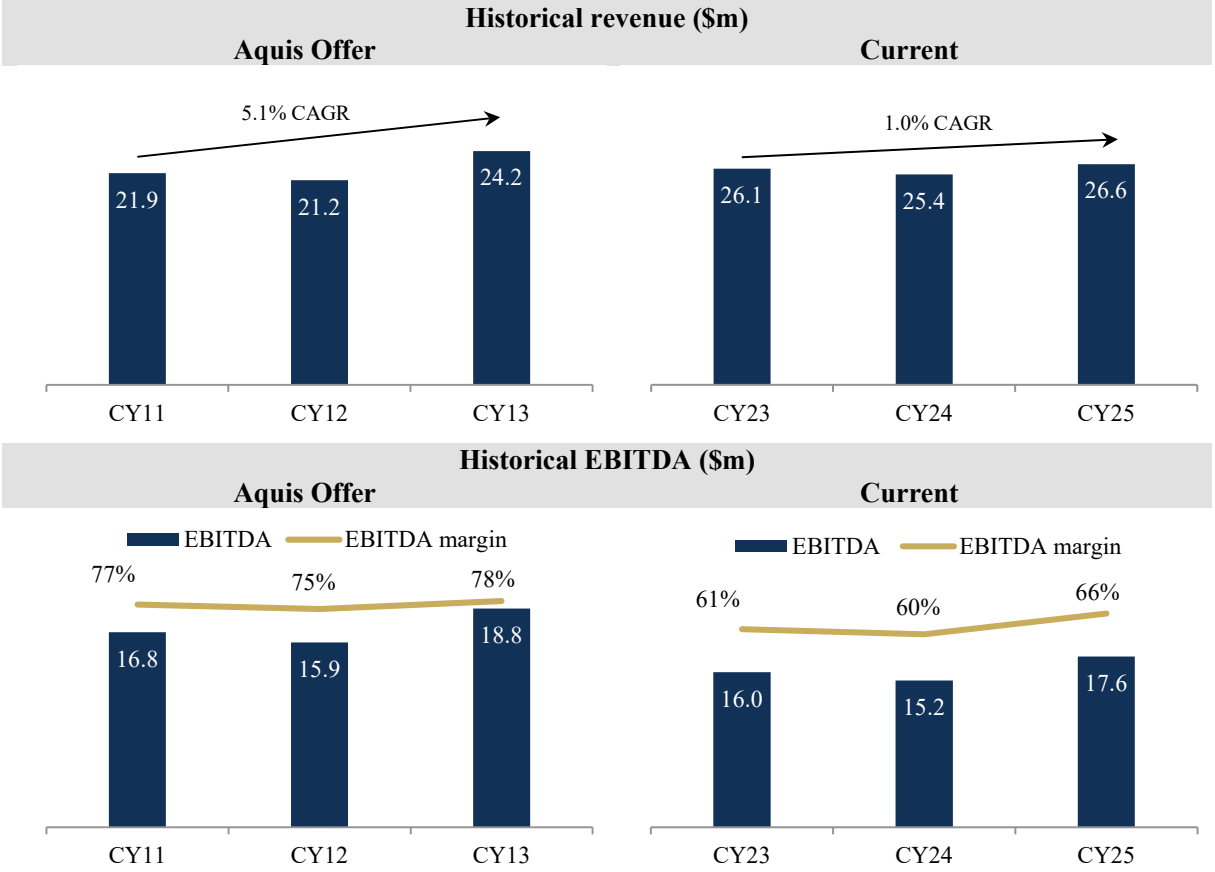
Note:
1 Rounding differences may exist.
2 Management advised the independent expert that opined upon the transaction that $1.0 million of the $5.9 million cash balance was required for operational purposes with the remaining $4.9 million being accumulated for distributions and surplus to requirements.
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.

117 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

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

significantly higher revenue growth and EBITDA margins than the levels currently being achieved (we also note the special lease had an additional 13 years further to run in CY13):

RCT historical revenue and EBITDA – Aquis Offer versus current



Source: Company announcements and LEA analysis.

118 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:

Key metrics – Aquis Offer versus current

	Unit	CY13	CY25[1]	% change
Operating metrics				
Casino visitations	m	1.06	0.94	(11.9)
Occupancy rate	%	81.8%	86.5%	5.7
Average room rate	$	169.9	275.5	62.1
Cairns economic data				
Cairns population	000	153.2	175.6	14.6
Cairns airport passenger movements[2]	000	4,156	4,368	5.1
Cairns cruise ship arrivals[2][3]	#	121	88	(33.1)

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 comprised 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 FY25 recording 12 cruise ships under 150 metres and 76 cruise ships over 150 metres.

Source: FactSet, Australian Bureau of Statistics, Cairns Airport Passenger Statistics and Ports North FY18, FY23 and FY25 Annual Reports.

119 Despite an increase in the Cairns population and airport passenger movements, casino visitations have declined. Furthermore, the macro-economic environment at the time of the Aquis Offer differed 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 business valuations, all else being equal.

Other transaction evidence

120 There have been few recent casino transactions in Australia / New Zealand, reflecting the strict regulatory framework governing casino ownership. 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[40], 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.

121 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)[41]:

Transaction evidence – casino resorts

Date[(1)]	Target	Acquirer	EV[(2)] A$m	EV / EBITDA[(3)] x	EV / EBIT x
Single casino resorts					
Dec 25	Christchurch Casinos (2025)	Iris Capital Group	102	8.0H[(4)]	10.2H
May 22	Casino Canberra	Iris Capital Group	63[(5)]	7.6H[(6)]	9.6H
Apr 21	Lasseters Hotel Casino	Iris Capital Group	105	9.9H[(7)]	28.4H
Nov 18	SkyCity Darwin	Delaware North	188	7.5H[(8)]	9.8H
Jan 14	Jupiters Townsville	Colonial Leisure	70	10.0H[(9)]	na
Dec 12	Christchurch Casinos (2012)	SkyCity	160	28.6H	na
Apr 04	Burswood	PBL	869	9.5F[(10)]	13.3F
Feb 04	MGM Grand Darwin Casino	SkyCity	195	8.9F[(11)]	na
Feb 00	Adelaide Casino	SkyCity	180	8.9H	na
Apr 99	Star City	Tabcorp	1,625	10.5F[(10)]	16.8F
Dec 98	Crown (Melbourne)	PBL	1,828	9.1F[(10)]	17.1F

40 For which meaningful valuation multiples can be derived based upon publicly available information.

41 The Star entered into a strategic investment in the form of a multi-tranche convertible note and subordinated debt instrument for a principal value of $300 million with Bally's and Investment Holdings Pty Ltd (Investment Holdings) in April 2025. The convertible notes converted in November 2025, resulting in Bally's and Investment Holdings obtaining a joint controlling interest. We note this was a recapitalisation undertaken in circumstances of financial distress, rather than an offer for The Star or any of its casino assets. In addition. The Star's exit from DBC (owner of The Star Brisbane) on 31 March 2026 formed part of a bundled transaction with its joint venture partners involving multiple assets and various forms of consideration (including an earn-out) and the second stage of exit is not expected to complete until the second half of CY26. Given this, no meaningful implied multiple can be determined.

Transaction evidence – casino resorts					
Date[1]	Target	Acquirer	EV[2] A$m	EV / EBITDA[3] x	EV / EBIT x
Portfolio of integrated casino resorts					
Nov 21	Crown Resorts	Blackstone	9,257	11.5H[7]	16.2H
Mar 03	Jupiters	Tabcorp	1,659	9.3F[10]	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 Based on historical FY25 earnings at the time of announcement. FY26 earnings were subsequently published prior to the transaction completing in October 2026. The EBITDA and EBIT multiples based on FY26 earnings are 7.9 times and 9.8 times respectively.
5 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.
6 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.
7 Due to the impact of COVID-19, EBITDA and EBIT for FY19 has been used as a proxy to calculate an undisturbed multiple.
8 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).
9 EBITDA includes a notional corporate cost allocation. Excluding the corporate cost allocation the EBITDA multiple would be 8.0 times.
10 Based on future maintainable EBITDA and EBIT.
11 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.

122 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 informative, 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

(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 Ltd in 2021 is the only large scale contemporaneous transaction. The higher multiple paid reflects Crown Resorts Ltd'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[42], 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 9.0 times (excluding Christchurch Casinos (2012), 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) the Christchurch Casinos (2025), Casino Canberra and Lasseter's Hotel Casino are the most contemporaneous transactions and involved the same bidder as the Offer (i.e. Iris Capital Group)

(iii) the Christchurch Casinos (2025) transaction also included the online gaming website ChristchuchCasino.com and a 33% interest in Dunedin Casino. Prior to the announcement of the acquisition, in October 2025, Christchurch Casinos was penalised approximately $5.1 million for anti-money laundering and counterterrorism financing breaches

(iv) the Lasseter's Hotel 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 Capital Group 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[43]

(v) Jupiters Townsville (now known as The Ville Resort-Casino) 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

(vi) the Christchurch Casinos (2012) 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[44]. 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,

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

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

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

management indicated that earnings were not expected to return to pre-earthquake 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 (noting also that there is more contemporaneous transaction evidence concerning the asset)

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

123 In addition, we note that 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, then 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

124 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[45], 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.

125 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.

45 We note as part of Office of Liquor and Gaming Regulation approvals RCSL and CAIC must retain a minimum of two independent directors.

126 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[46].

Other factors

127 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 with some allowance for estimated earnings benefit of the roll-out of the new EGMs etc.)

(b) the ability of a purchaser to redevelop and utilise the latent capacity of the Complex (e.g. the nightclub area, rooftop etc., 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 outside of the factors mentioned in (b)

(e) the highly regulated nature of the casino industry, with ongoing regulatory oversight and related compliance costs

(f) the expected growth in population of 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

(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

(j) the Working Holiday Maker program changes announced by the Labor Government on 17 September 2026[47]. The Complex's operations rely, in part, on working holiday makers and a substantial reduction in the availability of such workers could create resourcing constraints.

Conclusion on appropriate EBITDA multiple adopted for valuation purposes

128 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) is less than the EBITDA multiple implied by the First Takeover Offer (13.0 times). However, that multiple reduces to approximately 11.3 times when based on CY25 EBITDA of $17.6 million, i.e. if some growth is reflected in the earnings, rather than the multiple. As the maintainable earnings that we have adopted for the purposes of our current valuation already reflect the earnings growth since the First Takeover Offer and

46 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).

47 The Hon Tony Burke MP, *Speech - National Press Club*, dated 17 September 2026.

the expected benefit of the roll-out of the new EGMs etc., in our view, it would be inappropriate to reflect that growth in the multiple

(b) at the high end, is 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 13 years of the lease term and the less favourable outlook than that which existed at the time of the Aquis Offer

(c) 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 and 10.5 times with a mean and median of 9.0 times (excluding the 2012 Christchurch Casinos transaction which is considered an outlier)

(d) is broadly consistent with the trailing EBITDA multiples upon which RCT traded prior to the announcement of the receipt of the First Takeover Offer from Iris, which ranged between 11 times to 12 times (when adjusted for a theoretical control premium). It is also broadly consistent with the trailing multiples over the period 15 August 2026 to 24 September 2026 (which we consider may have included a partial or full premium for control). 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

129 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	97	18.5	18.5
EBITDA multiple (times)	128	11.0	12.0
Enterprise value		203.5	222.0

Valuation cross-checks

EBIT multiple cross-check

130 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 93, 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.

131 For the purpose of the cross-check, we note that:

(a) we have adjusted our assessed enterprise value to reflect the estimated present value of the capital cost of the Casino's EGM and casino management system roll-out

(b) EBIT is based on our adopted EBITDA less an allowance for normalised D&A having regard to:

(i) the fact that reported D&A (excluding amortisation of the site lease), as per the table at paragraph 95, is temporarily elevated because it includes accelerated D&A recognised in connection with one-off remediation programs. This is particularly so in CY24 and CY25

(ii) an estimate of the additional D&A associated with the Casino's EGM and casino management system roll-out.

132 The EBIT multiples implied by our assessed value range are shown below:

RCT – implied EBIT multiples

	Paragraph	Low $m	High $m
Enterprise value	129	203.5	222.0
Less allowance for the roll-out of the new EGMs etc., say		(6.0)	(6.0)
Adjusted enterprise value		197.5	216.0
EBIT adopted for valuation purposes		12.7	12.7
Implied EBIT multiple (times)		15.6	17.0

133 In relation to the above, we note the following:

(a) the EBIT multiple implied by the First Takeover Offer was some 19.0 times. The multiples implied by our valuation range are less than this, but consistent with our comment paragraph 128(a), the maintainable earnings that we have adopted for the purposes of our current valuation already reflect the earnings growth since the First Takeover Offer and the expected benefit of the roll-out of the new EGMs etc.

(b) the EBIT multiple implied by the Aquis Offer approximated 14.4 times (refer paragraph 116). 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 2013, which is largely driven by one-off capital expenditure projects[48]. Adjusting for this impact would result in implied EBIT multiples from our valuation that are more closely aligned with those implied by the Aquis Offer

(c) comparable EV / EBIT multiples from transactions involving single casino operators range between 9.6 times and 17.1 times with a mean of 12.8 times and median of 11.8 times (excluding Lasseters Hotel Casino which is considered an outlier). The implied EBIT multiples from our valuation range fall toward the higher end of this range

48 EBIT represented some 80% of EBITDA in 2014, whereas the ratio is now closer to 70%.

(d) in addition, the implied multiples are consistent with 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).

134 Having regard to the above, we consider the EBIT multiples implied by our assessed value of RCT to be reasonable.

Other assets / (liabilities)

135 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 September 2026) and for which an appropriate allowance should be made. None were identified aside from the one-off near-term capital expenditure requirements outlined below.

136 RCT is expected to incur one-off building remediation costs in the fourth quarter of CY26. In addition, RCT is expected to incur costs associated with the roll-out of the Casino's newly acquired EGMs and casino management system (the acquisition of which was initiated subsequent to the First Takeover Offer), noting that the estimated earning benefit thereof has been reflected in our adopted earnings. For the purposes of our report, we have included post-tax present value allowance of approximately $6.9 million.

Net cash / (debt)

137 As at 30 June 2026, RCT had net debt of $2.0 million, comprising cash of approximately $2.7 million, a working capital loan of $0.8 million to CAIC[49] and borrowings of $5.5 million (refer paragraph 58). The net debt position had increased to $6.4 million as at 30 September 2026, as a result of capital expenditure and working capital funding requirements.

138 After accounting for the portion of the remaining cash balance required for working capital purposes, we have concluded that net debt of $7.1 million is appropriate for valuation purposes.

Units outstanding

139 RCT has 49.8 million fully paid ordinary units on issue (including the 740,000 Founder units held by Iris). There are no other securities on issue.

Valuation summary

140 Given the above, we have assessed the value of RCT units on a 100% controlling interest basis at $3.81 to $4.18 per unit, as shown below:

49 Which is reported as part of trade and other receivables.

RCT – valuation summary[1]			
	Paragraph	Low $m	High $m
Enterprise value	129	203.5	222.0
Other assets / (liabilities)	136	(6.9)	(6.9)
Net debt	138	(7.1)	(7.1)
Equity value – controlling interest basis		189.5	208.0
Units on issue (millions)[2]	139	49.8	49.8
RCT value per unit – controlling interest basis ($)		3.81	4.18

Note:
1 Rounding differences may exist.
2 Fully paid ordinary units on issue including the 740,000 Founder units held by Iris.

Comparison with listed market price

141 We have cross-checked our valuation of RCT for reasonableness by comparing our assessed value of the equity in RCT (on a per unit basis) with the "undisturbed" listed market prices of RCT units on the ASX, adjusted for a premium for control. For the purposes of our cross-check, we have considered trading in RCT units up to and including two cut-off dates:

(a) 24 September 2026, being the last trading day prior to the announcement of the Offer

(b) 25 February 2025, being the last trading day before the announcement of Iris' initial non-binding proposal.

142 Although it is customary to limit the analysis of trading to one cut-off date, we have considered an alternative date in this instance because of the limitations associated with the trading evidence observed prior to the announcement of the Offer, as discussed below.

143 The listed market prices of RCT units from 15 August 2026 (being the first trading day subsequent to the close of the First Takeover Offer) through to and including 24 September 2026 (being the last trading day prior to the announcement of the Offer) are shown below:

RCT – unit prices prior to the announcement of the Offer				
Trading period	Low $	High $	Close $	VWAP $
24 September 2026	3.61	3.75	3.61	3.61
15 August 2026 to 24 September 2026	3.40[1]	3.85	3.61	3.64

Note:
1 This occurred on 28 August 2026. The lowest price observed on all other trading days was $3.47 per unit.
Source: FactSet.

144 As noted at paragraphs 66 and 67, trading in RCT units was limited during this period, with only some 76,000 units traded for an aggregate value of approximately $276,000[50]. In our view, the trading evidence should be treated with some degree of caution. In addition, RCT's trailing EBITDA and EBIT multiples remained elevated during this period (refer

50 We also note that trading occurred over a relatively short timeframe of some 1.3 months with a relatively limited free float, with Iris holding 85.8% of units on issue and Mr Gary Mauric holding a further 9.8%.

paragraphs 106 and 107(c)), suggesting that the traded prices may have incorporated a partial or full control premium. This may have reflected an expectation that Iris would return with a further offer to acquire the remaining units. Accordingly, it may not be appropriate to apply a further control premium to these observed prices. We note the low end of our assessed valuation of RCT units (on a 100% controlling interest basis) lies within the range of traded prices observed during this period.

145 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) are shown below:

RCT – unit prices prior to the announcement of Iris' initial non-binding 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

Note:
1 RCT was placed in a trading halt late on 25 February 2025, with no trades executed beforehand.
Source: FactSet.

146 As noted at paragraphs 66 and 67, turnover in RCT units (on an annualised basis) was relatively modest over the observed periods, as was the aggregate value of the units 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). As with the alternative trading evidence set out above, in our view, the trading evidence for this particular period should also be treated with some degree of caution. Notwithstanding this, we note that RCT units traded in a relatively narrow band over the observed period. Given this, we have adopted an "undisturbed" unit price for RCT of $2.75 for the purposes of this cross-check.

147 Although the S&P/ASX All Ordinaries Index has increased by approximately 4.9% between 25 February 2025 and 22 October 2026, there can be no guarantee that, in the absence of the of the First Takeover Offer and 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 64). Given this, we have not, for the purposes of this cross-check, adjusted RCT's "undisturbed" unit price for general market movements.

148 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).

149 Adding a 30% to 35% premium for control to our adopted "undisturbed" unit price range (before any allowance for general market movements) results in a theoretical "control" value of $3.58 to $3.71 per unit[51]. The low end of our assessed valuation of RCT units (on a 100% controlling interest basis) is marginally above the high end of this range (before allowing for general market movements and noting that this range does not reflect the estimated benefits from the EGM etc. roll-out).

51 The range would be marginally higher if some allowance were made for the general market movements that occurred subsequent to 25 February 2025.

V Evaluation of the Offer

Summary of opinion

150 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"

151 As set out in Section IV, we have assessed the value of RCT units on a 100% controlling interest basis at between $3.81 and $4.18 per unit.

152 The consideration offered by Iris under the Offer is $4.67 cash per RCT unit.

153 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	4.67	4.67	4.67
Value of 100% of ordinary units in RCT	3.81	4.18	3.99
Extent to which the Offer consideration exceeds (or is less than) the value of the units in RCT	0.86	0.49	0.68

154 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.

Assessment of "reasonableness"

155 Pursuant to RG 111, an offer is "reasonable" if it is "fair". Consequently we have concluded that the Offer is also reasonable.

156 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

(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.

157 These issues are discussed in detail below.

Extent to which a control premium is being paid

158 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.

159 Research undertaken by LEA[52] 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. 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.

160 We have calculated the premium implied by the Offer consideration by reference to the market prices of RCT units on the ASX for periods up to and including two cut-off dates:

(a) 24 September 2026, being the last trading day prior to the announcement of the Offer

(b) 25 February 2025, being the last trading day before the announcement of Iris' initial non-binding proposal.

161 Although it is customary to limit the analysis of trading to one cut-off date, we have considered an alternative date in this instance because of the limitations associated with the trading evidence observed prior to the announcement of the Offer, as discussed below.

162 The premiums implied by the Offer consideration relative to the listed market prices of RCT units from 15 August 2026 (being the first trading day subsequent to the close of the First Takeover Offer) through to and including 24 September 2026 (being the last trading day prior to the announcement of the Offer) are shown below:

Implied offer premium relative to unit prices prior to the Offer		
	RCT unit price $	**Implied control premium %**
Closing unit price on 24 September 2026	3.605	29.5
VWAP for period 15 August 2026 to 24 September 2026	3.641	28.3

52 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 2026. LEA's study covered over 600 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.

163 RCT's trailing EBITDA and EBIT multiples remained elevated during this period (refer paragraphs 106 and 107(c)), suggesting that the traded prices may already incorporate a partial or full control premium. This may have reflected an expectation that Iris would return with a further offer to acquire the remaining units. Accordingly, although the premiums implied by the Offer are, prima facie, broadly consistent with the range of observed premiums generally paid in successful takeovers in Australia, the effective premium being paid is likely to be materially higher.

164 The premiums implied by the Offer consideration relative to the listed market prices of RCT units up to 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) are shown below:

Implied offer premium relative to RCT unit prices prior to Iris' initial non-binding proposal[1]

	RCT unit price $	Implied control premium %
Closing unit price on 25 February 2025	2.730	71.1
1 month VWAP to 25 February 2025	2.728	71.2
3 month VWAP to 25 February 2025	2.691	73.5

Note:
1 We note the premiums implied by the First Takeover Offer ranged between 41.8% and 43.8%.

165 The above premiums significantly exceed the average observed premiums generally paid in successful takeovers in Australia. However, we note that the S&P/ASX All Ordinaries Index has increased by approximately 4.9% from 25 February 2025 to 22 October 2026.

166 While there can be no guarantee that, in the absence of the First Takeover Offer, RCT units would have appreciated in line with the broader market, we have nonetheless, for illustrative purposes only, adjusted the RCT unit prices 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	4.9	2.864	63.1
1 month VWAP to 25 February 2025	2.728	4.9	2.862	63.2
3 month VWAP to 25 February 2025	2.691	4.9	2.823	65.4

Note:
1 Notional adjustment to reflect market movements through to 22 October 2026.
2 Actual unit price multiplied by 1 plus the notional adjustment.
3 Implied control premium based upon adjusted unit price and Offer consideration.

167 Having regard to the above, in our opinion, the Offer consideration provides RCT unitholders with a premium that is, at least commensurate with, and more likely materially above the

range of observed premiums generally paid in successful takeovers in Australia[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

168 Iris has not provided any specific guidance on the level of synergies it expects to realise from the acquisition of RCT. 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[54], 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.

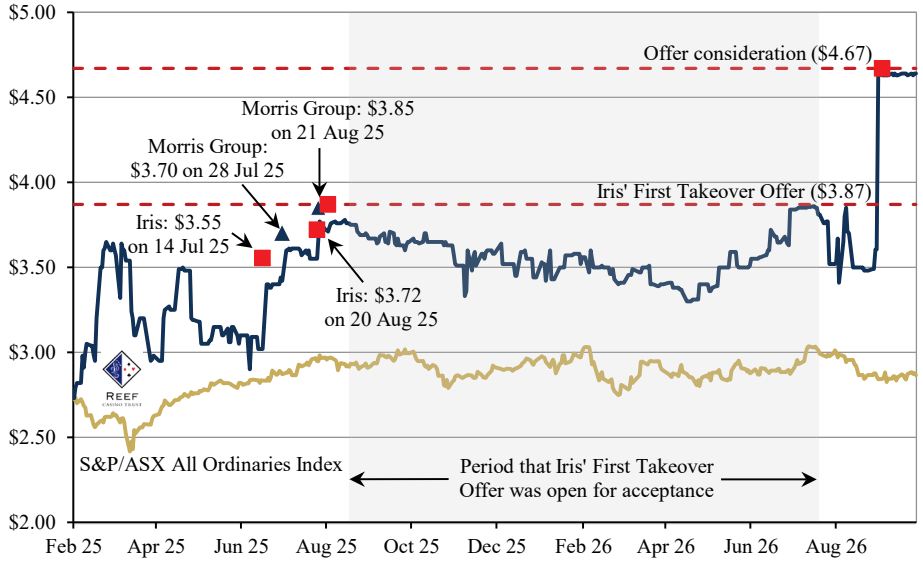
169 Whilst the total synergies to be generated by Iris are ultimately unknown, our valuation range incorporates a premium for control. Further, the existence of synergies from business combinations is one of the key reasons why bidders pay a premium to acquire an entity.

170 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 higher than the range of observed premiums generally paid in successful takeovers in Australia, it 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

171 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 22 October 2026



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 $2.73.

53 Noting that trading in RCT units during the periods referred to for the purposes of measuring the implied control premiums was relatively modest. The implied premiums should therefore be treated with a degree of caution.

54 We note as part of Office of Liquor and Gaming Regulation approvals RCSL and CAIC must retain a minimum of two independent directors.

172 RCT unitholders should note that in the period subsequent to the announcement of the Offer on 25 September 2026 through to and including 22 October 2026, RCT units have traded in the range of $4.62 to $4.65 per unit and closed at $4.64 per unit. The VWAP over the period was $4.63 per unit. 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 Iris (before the close of the Offer), or another bidder is not presently anticipated.

Likely price of RCT units if the Offer lapses

173 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 in theory trade at a discount to both the Offer consideration and our valuation. This discount reflects the difference between the value of RCT units on a portfolio or minority interest basis and their value on a 100% controlling interest basis.

174 We note that RCT 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) and $3.61 per unit on 24 September 2026 (being the last trading day prior to the announcement of the Offer).

175 However, the price at which RCT units may trade will ultimately depend on a variety of factors. For example, the market may assume that Iris will return with a further third offer to acquire the remaining units, as appeared to be the case following the close of the First Takeover Offer. If this expectation were to prevail, RCT units may not trade at prices substantially below the Offer consideration. Conversely, if the market assumes that no further offer will be made, RCT units are likely to trade at prices substantially below the Offer consideration and our valuation range.

Iris acquires less than 100% of the RCT units on issue

176 To become entitled to compulsorily acquire all remaining RCT units under Part 6A.1 of the Corporations Act, Iris will need to satisfy the applicable statutory thresholds, including acquiring a relevant interest in at least 90% of the RCT units and acquiring at least 75% of the units that are the subject of the Offer. Based on Iris' holding prior to the announcement of the Offer (85.8%) and the units subject to the Offer, Iris will need to acquire a relevant interest in at least 96.45% of the RCT units on issue by the end of the Offer period in order to compulsorily acquire the remaining units. At the date of this report, Iris holds approximately 96.3%[55].

177 If Iris does not satisfy the requirements under Part 6A.1, it may nevertheless become entitled to compulsorily acquire the remaining RCT units under Part 6A.2 if it acquires full beneficial interests in at least 90% of the RCT units (either as a result of the Offer, or subsequently) and satisfies the other applicable requirements.

178 If Iris does not achieve the level of acceptances required to compulsorily acquire the remaining RCT units under either Part 6A.1 or Part 6A.2, RCT unitholders who do not accept the Offer will remain minority unitholders in an entity controlled by Iris. In that regard, RCT unitholders should note that:

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55 As per the *Notice of change of interests of substantial holder* lodged by Iris on 14 October 2026 and the *Change of Director's Interest Notice* lodged by Mr Wassim Arnout on 21 October 2026.

(a) Iris has sufficient voting power to pass special resolutions, including resolutions to modify RCT's constitution, approve certain reductions or cancellations of RCT units, and voluntarily wind up RCT

(b) Iris has indicated that, given the need for further investment to repair, maintain, renovate and refurbish the Complex, future distributions are likely to be lower than those previously paid by RCT and they may not be paid at all

(c) trading liquidity in RCT units was modest prior to the announcement of Iris' initial non-binding proposal and reduced further during the short period following the close of the First Takeover Offer. Liquidity, and the already limited free float, are likely to reduce further as a result of acceptances under the Offer

(d) Iris has stated that it intends to seek to have RCT delisted from the ASX. If this were to occur, remaining unitholders would become minority unitholders in an unlisted entity that has no active market to facilitate the sale of their units.

179 RCT unitholders should also note that there can be no assurance that Iris will make a further third takeover offer if it does not acquire 100% of the RCT units under the Offer. Additionally, even if Iris were to make a further third takeover offer, there can be no assurance that it will be higher than the Offer consideration. Similarly, and noting that Iris has, as a result of the Offer, already obtained an interest in more than 90% of RCT, there can be no assurance that Iris will satisfy the other requirements to compulsorily acquire the remaining RCT units under Part 6A.2 of the Corporations Act, or if the requirements are met, exercise its rights and assuming it does, that the consideration offered by Iris under a Part 6A.2 compulsory acquisition will exceed the Offer price.

Likelihood of an alternative offer

180 As at the date of this report, Iris holds approximately 96.3% of the RCT units on issue[56]. Iris also owns 100% of the responsible entity RCSL and the Complex operator CAIC.

181 We have been advised by RCSL, as responsible entity of RCT, that aside from the alternative offers put forward by the Morris Group in July and August of 2025, 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. We also note that the Morris Group never made a formal offer that was capable of acceptance by RCT unitholders.

182 While in theory it is still possible for a third party to submit a competing acquisition proposal, in practical terms, RCT unitholders should note that the probability of such a proposal emerging is extraordinarily remote.

Other qualitative and strategic issues

Certainty of price and outcome

183 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

56 As per the *Notice of change of interests of substantial holder* lodged by Iris on 14 October 2026 and the *Change of Director's Interest Notice* lodged by Mr Wassim Arnout on 21 October 2026.

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

184 Those RCT unitholders that have their RCT units registered as an Issuer Sponsored Holding[57] will not incur any brokerage costs in accepting the Offer.

185 The same generally applies to those RCT unitholders which have their shares registered in a CHESS Holding[58] 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.

186 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, for example, by selling on the ASX.

Other matters

187 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.

188 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.

57 The SRN starts with an "I".

58 The HIN is prefixed with an "X".

Appendix A

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 $122,500 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.

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.

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 prepared the IER on the First Takeover Offer, which closed on 14 August 2026. Aside from this IER, LEA has not had within the previous two years, any other business or professional relationship with RCT or Iris 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. 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.

Appendix C

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.

Appendix D

D Listed company business descriptions

SkyCity Entertainment Group Limited

1 Headquartered in Auckland, New Zealand, SkyCity operates integrated entertainment complexes in Auckland, Hamilton and Queenstown, New Zealand as well as Adelaide, SA. SkyCity provides land-based casino gaming, food and beverage services, hotels and convention and entertainment facilities, and offers a branded online casino to New Zealand customers through a Malta-licensed third-party operator. In FY26, approximately 67% of underlying revenue came from land-based gaming, 15% from food and beverage, 9% from hotels and convention centre services and 9% from entertainment and other.

2 On 25 August 2026, SkyCity disclosed that it had received two unsolicited, conditional and non-binding proposals in May 2026 from Oaktree Capital Management (Oaktree) and a second undisclosed party.

Full House Resorts Incorporated

3 Headquartered in Las Vegas, US, Full House Resorts Incorporated (Full House) 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. Full House also generates revenue from two active online sports wagering agreements in Indiana and Illinois. In CY25, casinos generated 76% of total revenue, while food and beverage contributed 13%, hotel operations 5% and 6% from other operations.

Century Casinos Incorporated

4 Headquartered in Colorado Springs, US, Century Casinos Incorporated (Century Casinos) operates gaming establishments as well as related lodging, restaurant, horse racing (including off-track betting) and entertainment facilities. The company operates 7,562 EGMs and 199 table games across 11 casinos in the US and Canada and six casinos in Poland. Additionally, it operates eight hotels across its North American casino properties, comprising a total of 2,153 hotel rooms. In CY25, the company generated approximately 74% of its revenue from land-based gaming, 10% from food and beverage, 9% from hotel operations, 3% from online gaming, and 4% from other. On 28 September 2026, Century Casinos announced an agreement to sell its Century Mile and Century Downs casino and horse racetrack operations in Alberta, Canada, with completion remaining subject to regulatory approvals and other conditions as at 22 October 2026.

E Transaction evidence

Single casino operators

Christchurch Casinos (2025)

1 On 24 December 2025, Iris Capital Group entered into a conditional agreement with Skyline to acquire Christchurch Casinos for NZ$102 million (noting that Skyline acquired the asset in 2012). Christchurch Casinos operates the Christchurch Casino and, through its wholly owned Maltese subsidiary, the online gaming website ChristchurchCasino.com. At the time of transaction completion, the Christchurch Casino had over 450 EGMs, 32 table games and three restaurants and bars. In addition, Christchurch Casinos' 33% interest in Dunedin Casino (180 EGMs and 12 gaming tables) was also part of the acquisition.

Casino Canberra

2 On 12 May 2022, Aquis announced it had received a takeover offer for Casino Canberra from Oscars Group, before receiving a superior offer on 11 July 2022 from Iris Capital Group for approximately $63 million[59]. 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.

Lasseters Hotel Casino

3 In April 2021, Iris Capital Group acquired Lasseters Hotel Casino from Singapore-listed Lasseters International Holdings Ltd for cash consideration of $105 million. Lasseters Hotel Casino is located in Alice Springs, NT and at the time operated a casino with 320 EGMs and approximately 30 table games, four restaurants, four bars, a nightclub, a poolside café, convention centre and a 4.5 star resort with 205 rooms.

SkyCity Darwin

4 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

5 On 24 January 2014, Echo Entertainment announced the sale of Jupiters Townsville (now known as The Ville Resort-Casino) to Colonial Leisure Group Pty Ltd (a part of the Morris Group) 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.

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59 The Oscars Group bid was $52 million.

Appendix E

Christchurch Casinos (2012)

6 On 19 December 2012, Skyline announced it had reached an agreement to acquire the remaining 50% stake in Christchurch Casinos that it did not already own from SkyCity for approximately $80 million. Opened in 1994 as New Zealand's first casino, Christchurch Casinos employed over 500 people and operated 34 gaming tables, 500 EGMs, four hospitality venues and function rooms.

Burswood

7 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.

MGM Grand Darwin Casino

8 On 11 February 2004, SkyCity 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

9 On 23 February 2000, SkyCity 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

10 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

11 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.

Appendix E

Multiple casino operators

Crown Resorts

12 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

13 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 30 June
AASB 16	Australian Accounting Standard AASB 16 – *Leases*
Accor	Accor Casino Investments (Australia) Limited
ACT	Australian Capital Territory
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
Bally's	Bally's Corporation
Bidder's Statement	Bidder's Statement in respect of Iris' Offer of $4.67 per RCT unit (which was lodged with ASIC after the close of trading on 24 September 2026)
BOQ	Bank of Queensland Ltd
CAIC	Casinos Austria International (Cairns) Pty Ltd
CAIL	Casinos Austria International Limited
Casino	Reef Hotel Casino
CBRE	CBRE Valuations Pty Limited
Christchurch Casinos	Christchurch Casinos Ltd
Complex	Reef Hotel Casino complex in Cairns, which comprises the Reef Hotel Casino, the Reef Hotel Casino Cairns – Handwritten Collection and other facilities including a nightclub (currently closed), conference facilities, centre maintenance areas and a car park
Corporations Act	*Corporations Act 2001* (Cth)
CY	Calendar year
D&A	Depreciation and amortisation
DBC	Destination Brisbane Consortium
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
First Takeover Offer	Iris' first takeover offer for 100% of the units in RCT for cash consideration of $3.87 per unit. The offer opened to acceptances on 12 September 2025 and closed on 14 August 2026, with Iris holding a relevant interest in 85.77% of RCT units
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	Reef Hotel Casino Cairns – Handwritten Collection
IBC	Independent Board Committee
IER	Independent expert's report
Investment Holdings	Investment Holdings Pty Ltd
Iris / Bidder	Iris Cairns Property Pty Ltd as trustee for the Iris Cairns Property Trust
Iris Capital Group	Iris Capital Ltd and its controlled entities
LEA	Lonergan Edwards & Associates Limited
LTM26	Last 12 months to 30 June 2026

Appendix F

Term	Meaning
NSW	New South Wales
NT	Northern Territory
Oaktree	Oaktree Capital Management
Offer	An unconditional off-market cash takeover offer from Iris to acquire all of the ordinary units in RCT for $4.67 cash per unit
PBL	Publishing and Broadcasting Ltd
PP&E	Property, plant and equipment
QLD	Queensland
RCSL	Reef Corporate Services Limited
RCT / Target	Reef Casino Trust
Reef Group	RCT, RCSL and CAIC
RG 111	Regulatory Guide 111 – *Content of expert reports*
ROU	Right-of-use
SA	South Australia
SkyCity	SkyCity Entertainment Group Ltd
Skyline	Skyline Enterprises Ltd
Tabcorp	Tabcorp Holdings Ltd
TAS	Tasmania
The Star	The Star Entertainment Group Limited
US	United States of America
VIC	Victoria
VWAP	Volume weighted average price
WA	Western Australia
WANOU	Weighted average number of units outstanding

Attachment 2

Taxation Report

Attached **separately**

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

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Fax: +61 7 3011 3100
ey.com/au

Shape the future
with confidence

The Directors
Reef Corporate Services Limited
As Responsible Entity of Reef Casino Trust
PO Box 7320
CAIRNS QLD 4870

22 October 2026

Off-Market Takeover Bid for the Remaining 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 23 October 2026.

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 temporary residents of Australia for Australian income tax purposes;
- 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; or
- 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

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information in this overview for any future legislative/interpretation changes which may affect the correctness of this overview after the date of this letter.

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 capital 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 $4.67 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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For completeness, there have been recent changes to the tax legislation which apply to capital gains (subject to limited exceptions). In summary:

- the existing CGT Discount has been retained for eligible capital gains accrued up to 30 June 2027;
- the CGT Discount has been replaced with cost base indexation regime for capital gains accruing from 1 July 2027; and
- a minimum effective tax rate of 30% has been introduced in respect of certain capital gains from 1 July 2027.

Having regard to the current Offer Period, it is assumed that participating RCT Unitholders will dispose of their RCT Units under the Offer prior to 1 July 2027, such that recent changes will not be applicable. However, the changes may be relevant to an Australian resident individual or trustee who does not accept the Offer and continues to hold RCT Units after 30 June 2027.

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").

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.

For completeness, for CGT Events occurring on or after 1 October 2026, recent changes to the tax legislation have:

- expanded the scope of "taxable Australian real property" by introducing a statutory definition of "real property" and broadening the categories of assets that can be taxed;
- resulted in the principal asset test being required to be assessed over a 365-day testing period, rather than at a point-in-time.

Foreign tax resident RCT Unitholders should seek independent professional advice regarding the application of these changes to their particular circumstances.

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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.

Iris may provide RCT Unitholders with an opportunity to declare that they are Australian residents for income tax purposes or that their RCT Units are not indirect Australian real property interests, in accordance with section 14-225 of Schedule 1 to the *Taxation Administration Act 1953* (Cth). RCT Unitholders are required to notify the Commissioner in the Approved Form[1] if they intend to make, or have made, a declaration that their RCT Units are not indirect Australian real property interests, and the aggregate transaction value is $50 million or more. Iris should not withhold, or have an obligation to withhold, under the foreign resident CGT withholding rules, where each of the following requirements are satisfied and provided prior to settlement:

(i) a valid Australian residency or non-indirect Australian real property interest declaration is provided by an RCT Unitholder to Iris;

(ii) at no time during the period commencing when the declaration is provided to Iris and ending immediately before Iris becomes the owner of the relevant RCT Units, Iris knows, or could reasonably be expected to know, that the declaration is false; and

(iii) in the case of a non-indirect Australian real property interest declaration where the aggregate transaction value is $50 million or more, the RCT Unitholder notifies:

  a) the ATO in the Approved Form of the declaration, or intention to make the declaration; and

  b) Iris of the fact a notice has been provided to the ATO in respect of the declaration, including the date of such notice.

RCT Unitholders should seek their own independent professional advice on how the foreign resident CGT withholding rules apply to their particular circumstances.

Yours sincerely

Ernst + Young

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[1] Australian Taxation Office, Notice of non-IARPI declaration: form and instructions, available at: Notice of non-IARPI declaration: form and instructions | Australian Taxation Office