HOTEL
PROPERTY
INVESTMENTS

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The Manager
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10 October 2024

FY25 guidance upgrade

Debt refinance to reduce costs and further strengthen balance sheet

Hotel Property Investments Limited (HPI) is pleased to advise that the Common Terms Deed facilities have been refinanced.

The refinance achieved:

- an additional $100 million debt capacity, allocated to the repayment of the USPP Note maturing in August 2025;
- a reduction in overall costs across all Common Terms Deed facilities, resulting in forecast savings of approximately $1.1 million per annum, when compared to existing facility costs;
- an extension of HPI's debt maturity profile, increasing the weighted average facility and USPP note expiry as of 30 September 2024 from 3.0 years to 3.3 years; and
- further diversification of lenders. Following the refinance of HPI's debt, sources include three major Australian banks, a non-bank lender and US Private Placement Notes.

Furthermore, HPI currently maintains approximately $60 million of undrawn debt capacity to fund future acquisition and growth opportunities.

John White, Managing Director & Chief Executive Officer said "The refinancing of the debt facility has been a key priority in our capital management initiatives. Following the successful execution of interest rate swaps in July, the terms achieved, and further diversification of our lending group highlight the strong support from lenders for the high-quality assets within the portfolio."

"The refinancing will further reduce interest costs and improve future distributions to investors. Moreover, it further strengthens the balance sheet by extending debt maturity and providing additional headroom."

The completion of the debt financing will result in an increase in FY25 distribution guidance to at least 19.7 cents per security, an increase of 3.7% from FY24.

This ASX announcement was authorised by the Hotel Property Investments Limited Board

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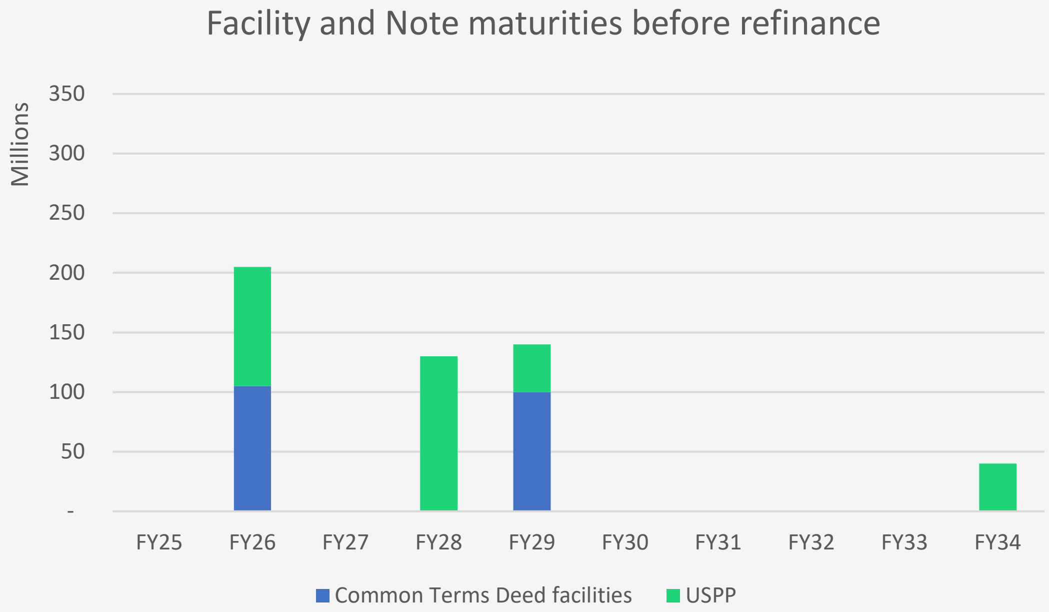
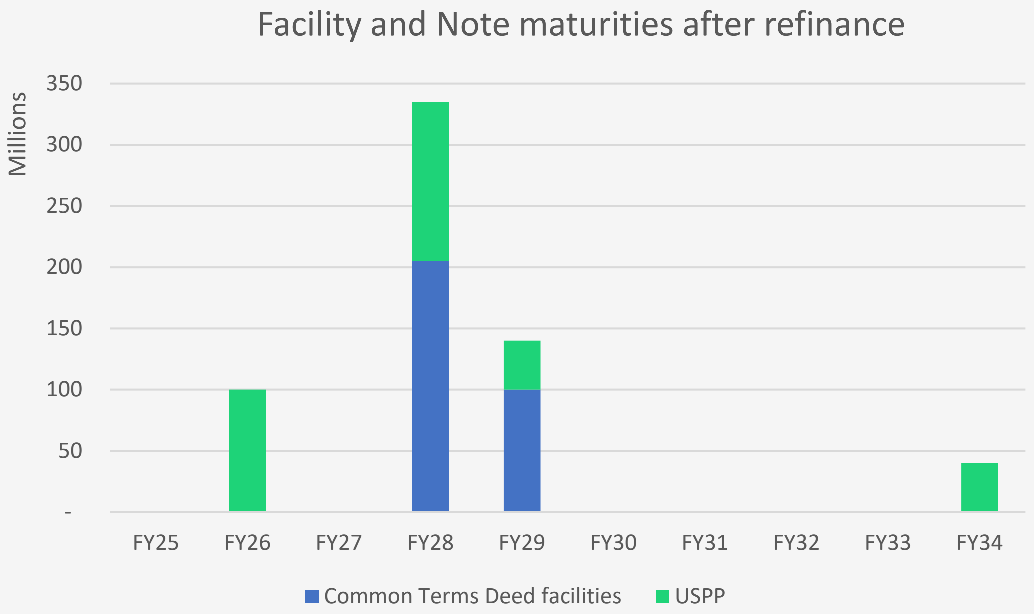
Capital Management: Debt

Capital Management: Debt facility maturities





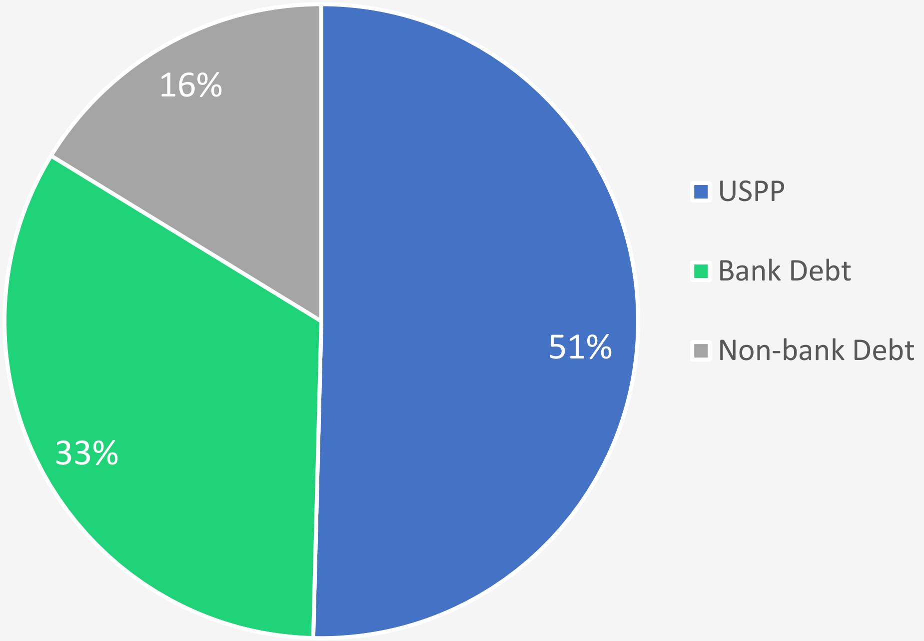
HPI
HOTEL PROPERTY INVESTMENTS

The FY26 USPP maturity will be refinanced with available Common Terms Deed facilities

Capital Management: Key debt metrics

	Sep 24 (After Refinance and July swaps)	Jun 24
Total Facility Limits	$615m	$515m
Total Drawn Debt	$454.2m	$477.1m
Weighted Average Cost of Debt (all)	5.39%	5.72%
Weighted Average Cost of Fixed Debt	5.06%	4.89%
Weighted Average Fixed Tenor	2.5	2.6
% Fixed / Floating	90% / 10%[1]	65% / 35%[2]
Available Headroom	$160.8m	$37.9m

Sources of Debt (facility basis)



[1] Of drawn debt after refinance and July swaps
[2] As at 30 June 2024