

REAL ASSETS
PRIVATE EQUITY
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360 Capital



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360 Capital REIT (ASX:TOT) FY21 Results Presentation

18 August 2021

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1. Highlights

Why invest in 360 Capital REIT ?

- Balance sheet exposure to Australia and New Zealand commercial real estate assets and funds management platforms
- Stable and growing income returns with regular, quarterly distributions and the ability for capital growth
- Fifteen year track record of active management across a diverse range of real estate asset classes
- Transparent investments and structure with an aligned manager holding 20.2% of 360 Capital REIT

FY21 Financial Highlights



Total Shareholder Return¹
22.0%



Distribution per Security
6.0cps



Operating EPS
6.2cps



June NTA per Security
\$1.14



Discount to June NTA²
-18.0%



Market Capitalisation²
\$128.8m

¹ Based on the closing TOT security price of \$0.995 as of 30-Jun-2021

² Based on the closing TOT security price of \$0.935 as of 17-Aug-2021



FY21 Key Highlights

Transitioned balance sheet from real estate debt to real estate equity investing, deploying \$155 million primarily into two significant investments

TOT has acquired a 12.8%¹ strategic stake in Irongate Group (ASX: IAP). In conjunction with TGP's 6.5% holding, together both entities hold 19.3%¹

Entered a 50% equity partnership with PMG for NZ\$17.5m², a New Zealand real estate funds management business. PMG has grown Funds Under Management ("FUM") from NZ\$665.7m³ to NZ\$781.2m⁴, a NZ\$115.5m increase or +17.3% over TOT's 6 months of ownership

TOT sold a 5.0% stake in PEET Limited (ASX:PPC) in April 2021 for \$29.0m. TOT made a distributable gain of \$4.2m on its investment, realising an IRR of 18.1%

Active management of TOT's loan portfolio resulted in \$42.4m in loan repayments during FY21, resulting in a 10.8% IRR and all direct real estate loans now repaid

Settled a further 13 apartments in Gladesville during FY21, 20 of 23 apartments have now been sold at an average premium of 20.3% to purchase price

During FY21, \$23.1m of non-core assets were sold including the \$7.2m sale of the Penrith shopping centre and the \$6.8m partial repayment of the VP7 loan⁵

6.2cps

FY21 operating earnings

6.0cps

FY21 distribution

\$31m

Capital recycled

\$155m⁶

Capital invested

¹ As at 17 August 2021

² Including the contingent consideration component and excluding the NTA adjustment

³ The NZ\$665.7m was the estimated FUM for 30 April 2021 at the time of acquisition and includes assets under contract as at 31 March 2021

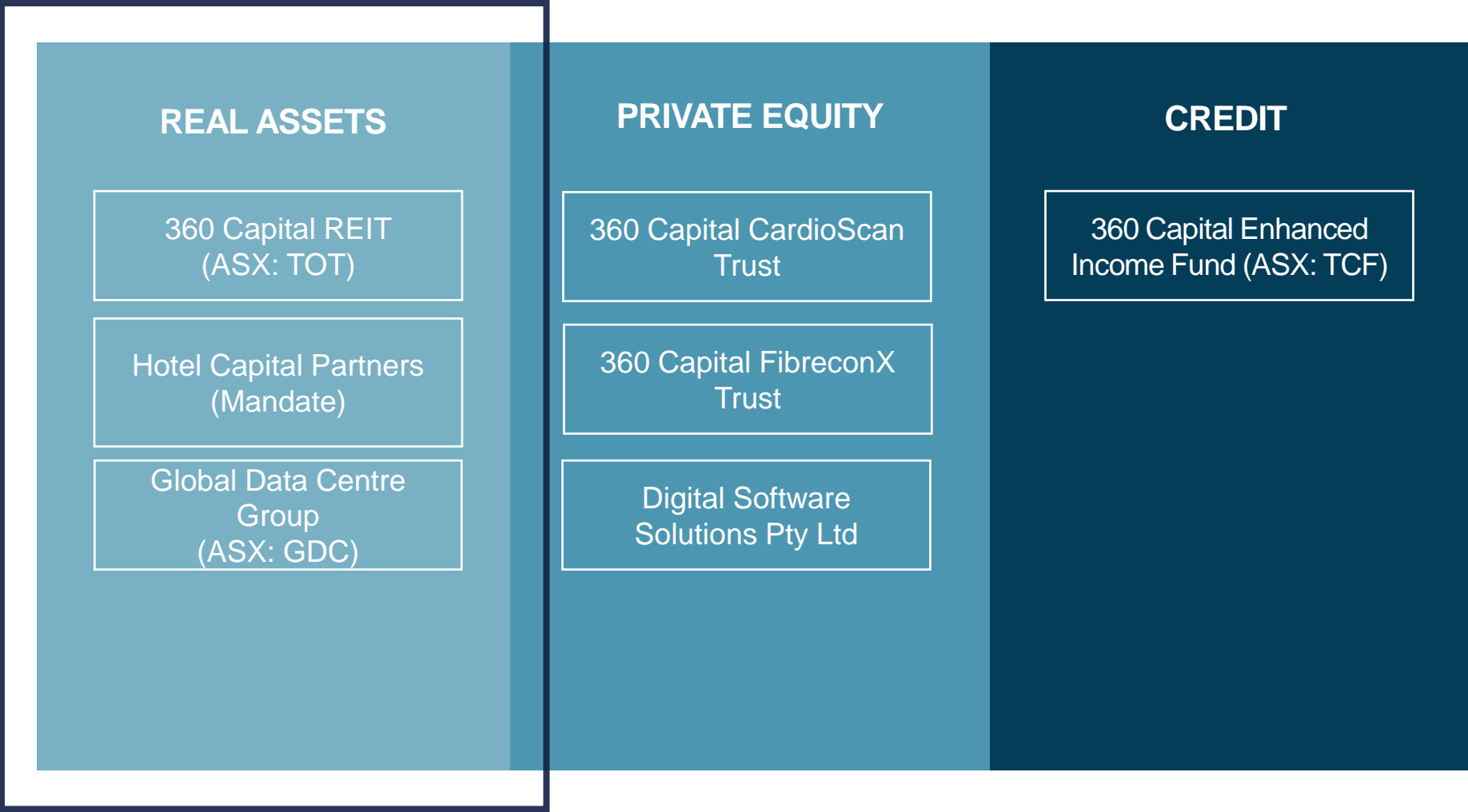
⁴ Including assets under contract as at 31 July 2021

⁵ Non-core assets include the Penrith Shopping Centre (\$7.2m), the VP7 loan (\$6.8m), and inventory disposal of (\$9.0m)

⁶ During FY21 and including committed underwriting capital for PMG

The Manager – 360 Capital Group (ASX:TGP)

360 Capital REIT (ASX:TOT) is part of 360 Capital Group’s real assets strategy



Simplification of TOT’s Business Model

Objective

To provide investors with regular quarterly distributions

Strategy

Simplified strategy of investing in real estate equity. Initial exposure through investments in real estate fund managers. Longer term objective of owning direct / value-add real estate assets on TOT’s balance sheet

Investor Returns

Growing distributions from 6.0cps base with opportunity for NTA growth

Track Record

15-year real estate track record across office, industrial and retail assets in Australia and New Zealand

Execution

Consistent execution of TOT’s stated strategy of investing in real estate equity and increase the scale and liquidity of TOT

2. Investments

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Track Record

29-year track record, established in 1992

Diversification

Diversification through exposure to the New Zealand real estate market across over 47 properties and five funds¹

Scale

Approximately NZ\$781.2m¹ AUM across New Zealand¹

Growth

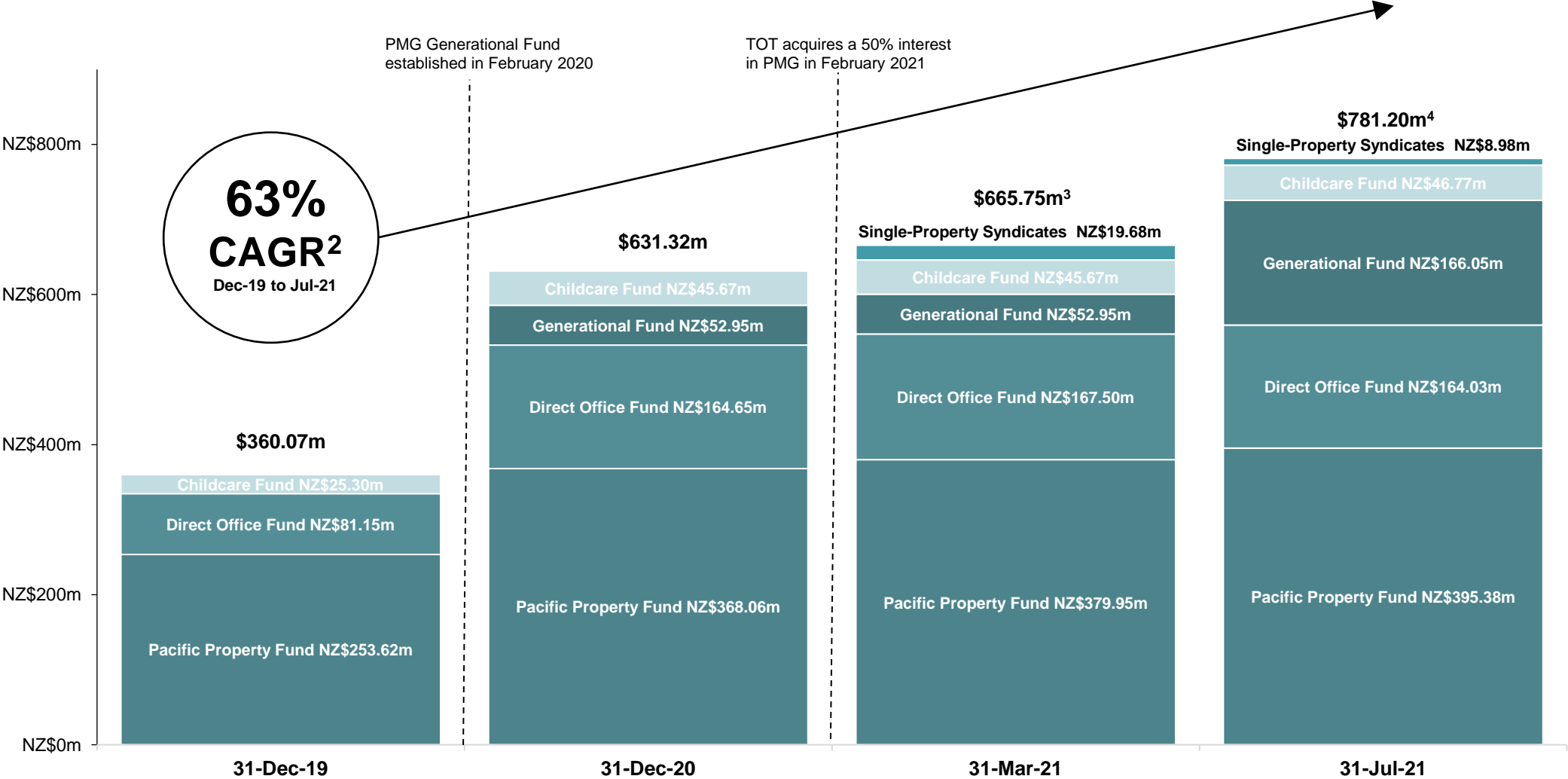
63% CAGR in AUM², up \$115.5m or 17.3% uplift in six months

Investor Returns

Average investor Total Return of 18.8% over the past 12-months³

¹ Including assets under contract as at 31 July 2021
² CAGR calculated from December 2019 to July 2021
³ Based on the total return of PMG's 2 largest funds, Pacific Property Fund and Direct Office Fund, weighted by property value

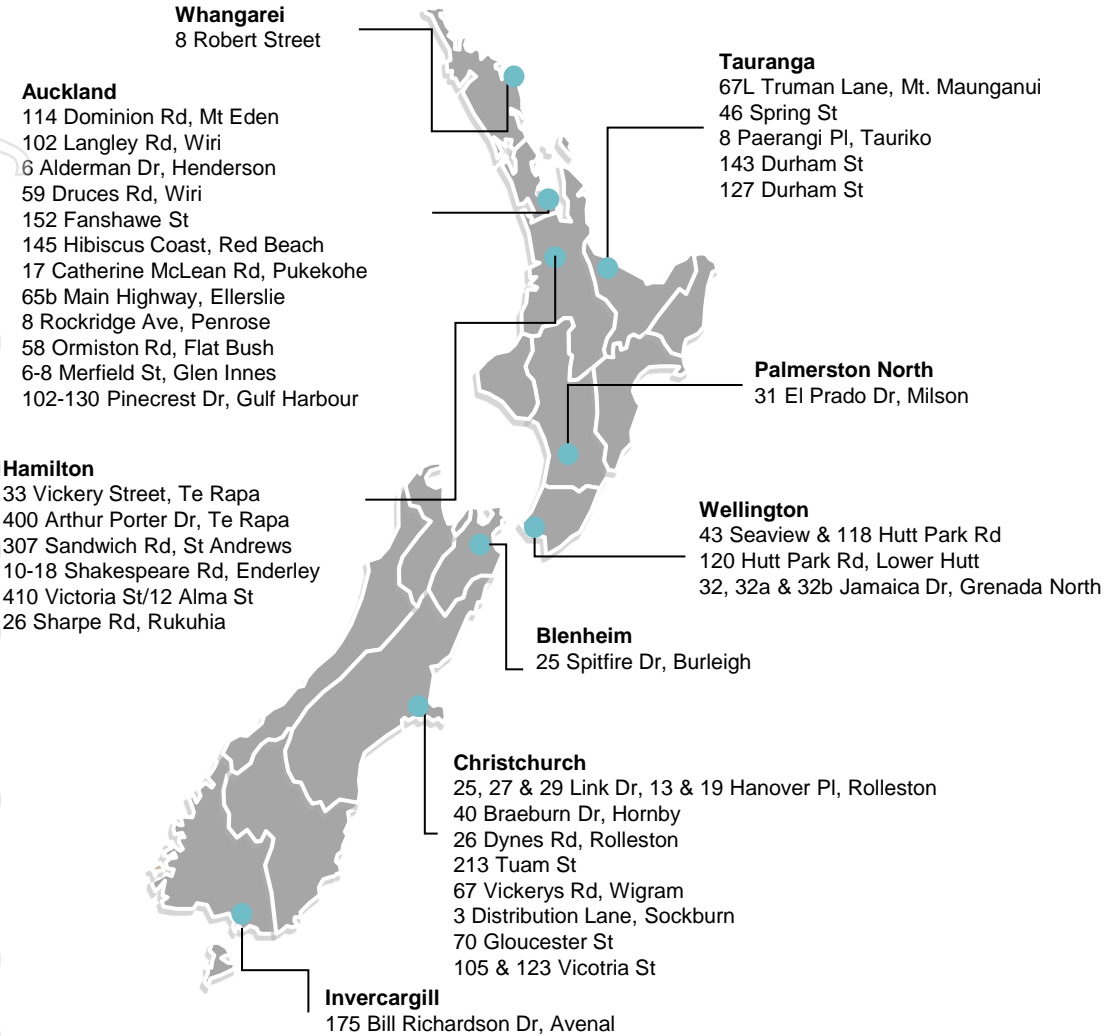
Growth of PMG Funds¹



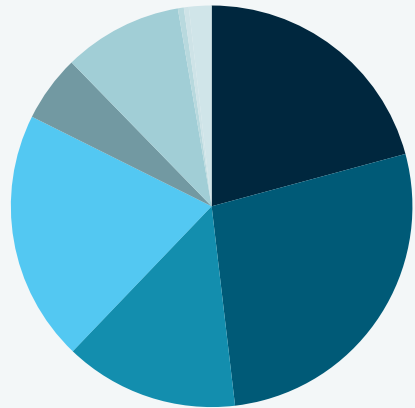
¹ These figures are in New Zealand dollars
² CAGR calculated from December 2019 to July 2021
³ The NZ\$665.7m was the estimated FUM for 30 April 2021 at the time of acquisition and includes assets under contract as at 31 March 2021
⁴ Funds Under Management includes assets under contract for 31 July 2021

PMG Real Estate Portfolio – Over 41% Industrial Exposure

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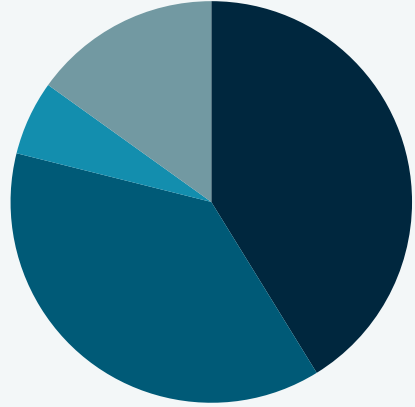


Property value by region



- Auckland 20.8%
- Christchurch 27.3%
- Wellington 14.0%
- Hamilton 20.2%
- Tauranga 5.4%
- Palmerston North 9.6%
- Whangarei 0.5%
- Blenheim 0.4%
- Invercargill 1.8%

Property value by type



- Industrial 41.2%
- Office 37.7%
- Childcare 6.0%
- Retail 15.1%

Map includes properties held as at 31 July 2021 in the Pacific Property Fund, PMG Direct Childcare Fund, PMG Direct Office Fund and PMG Generation Fund

Attractive Entry

Diversification

Investment Thesis

Ownership

Board Representation

Average entry price of \$1.41, a -1.3% discount to Net Tangible Assets, reflecting a 6.3% yield on cost¹

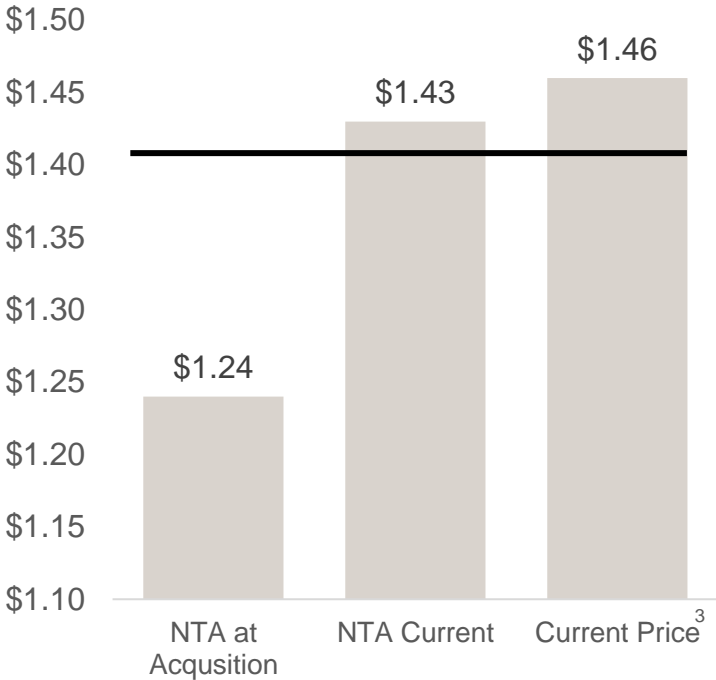
Diversification through exposure to the Australian and New Zealand real estate market across over 35 individual assets and a funds management platform²

IAP book values were below assessed market value, at the time of purchase. The entry price point is below where similar direct assets have sold recently

TOT has now acquired a 12.8% strategic stake and in conjunction with TGP, together both entities hold 19.3%³

Tony Pitt and James Storey have been nominated as representatives of 360 Capital Group (ASX:TGP) and TOT respectively

TOT's acquisition thesis proven by revaluations above TOT's average entry



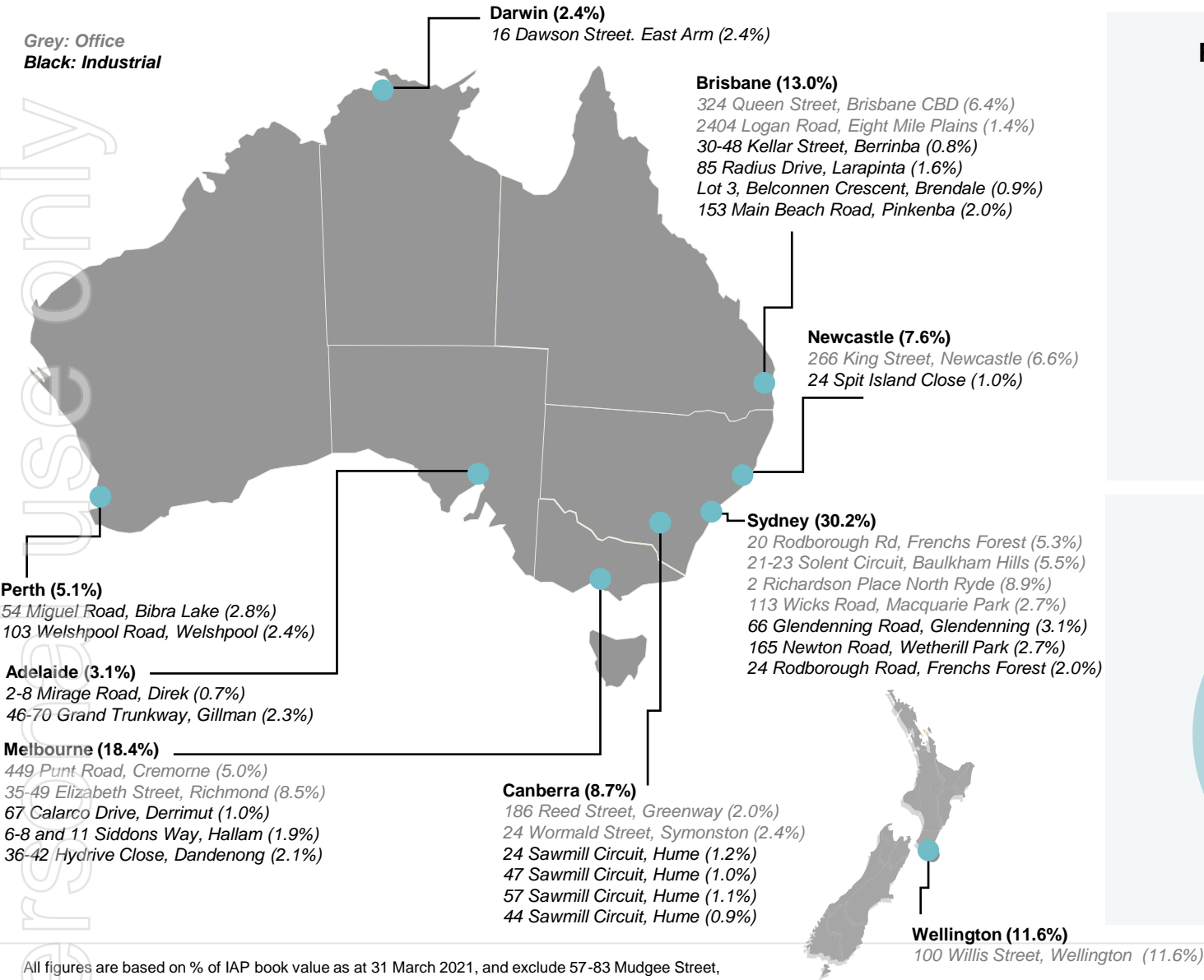
¹ Based on an NTA per share of \$1.43 and an FY21 distribution of 8.92cps

² As at 29 June 2021

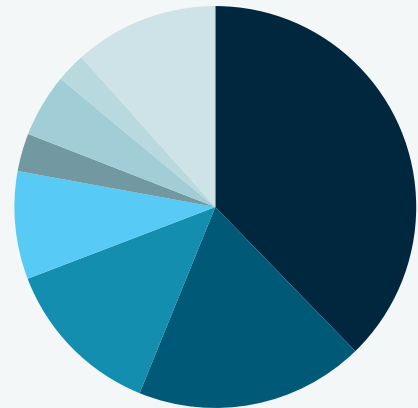
³ As at 17 August 2021

IAP Real Estate Portfolio

Grey: Office
Black: Industrial

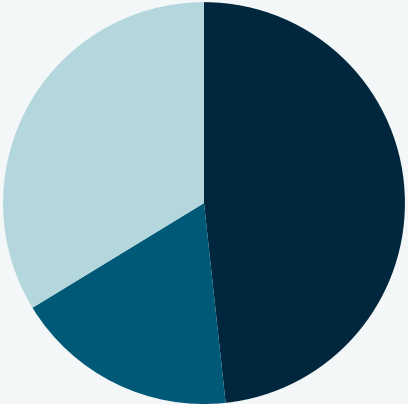


Property value by region



- NSW 37.7%
- VIC 18.4%
- QLD 13.0%
- ACT 8.7%
- SA 3.1%
- WA 5.1%
- NT 2.4%
- NZ 11.6%

Property value by type



- Metro Office 48.3%
- CBD Office 18.0%
- Industrial 33.7%

All figures are based on % of IAP book value as at 31 March 2021, and exclude 57-83 Mudgee Street, Kingston, 24 Dunhill Crescent, Morningside, and 38 Sydney Avenue, Canberra

Forecast Non-core Asset Sales

Dealt (formerly Velocity) Debt and Equity
Corporate loan and equity to be repaid through
asset sales and future capital raising



Home HQ Artarmon
\$3.7m



SOLD
January 2021



Penrith Shopping Centre
\$7.2m received 2H FY21

December 2021
\$5.7m sales during FY21
Three remaining apartments forecast
to be sold during H1 FY2022



Gladesville Apartments
\$2.8m¹

December 2021
\$6.8M REPAID
\$3.2 balance of loan forecast to be during H1
FY2022

June 2022
Forecast \$3.7m realisation

¹ This figure represents the total cost of the remaining units

3. Financial Summary

Key Financial Metrics



\$155m¹

Capital deployed

During the period the remaining real estate loans were repaid and the capital deployed into real estate equity investments

\$1.14

NTA per security

Increase of 1.0 cent per security from the previous financial year

\$9.2m

Statutory NPAT

\$1.2m decrease in statutory net profit attributable to securityholders reflecting the transition from real estate debt investing and redeployment of capital to equity investing during the year

6.2cps

Operating Earnings

Operating profit³ of \$8.6m reflecting a 12% increase on prior period. Operating EPS decreased 13% reflecting an increase in operating profit offset by the higher weighted number of securities on issue compared to the pcg

Financial results overview

Balance sheet summary	30-Jun-21 (\$m)	30-Jun-20 (\$m)	Change (\$m)	Change (%)
Total Assets	168.3	161.7	6.6	4%
Total Liabilities	11.2	4.7	6.5	140%
Net Assets	157.1	157.1	0.0	0%
Securities on issue	137.7	138.8	(1.1)	-1%
NTA per security ²	\$1.14	\$1.13		

Profit and loss summary	FY21 (\$m)	FY20 (\$m)	Change (\$m)	Change (%)
Total Revenue	25.8	20.7	5.1	25%
Profit from continuing operations before tax	11.6	9.9	1.7	17%
Statutory Profit attributable to Securityholders	9.2	10.4	(1.2)	-11%
Operating Profit ³	8.6	7.7	0.9	12%
Operating EPS ³	6.2 cps	7.1 cps	-0.9 cps	-13%
Distribution CPS	6.0 cps	9.0 cps	-3.0 cps	-33%
Weighted Avg. Securities on Issue	138.1	108.7		

¹ Capital deployed includes the committed underwriting facility for PMG.

² The Fund has provisioned an allowance for loss on loans receivable for purposes of AASB 9, however there is currently no evidence any actual loss will eventuate.

³ Operating profit is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for non-operating items.

4. Capital Management

Simplification

Buy Backs

DRP

Co-Investment

Investor Returns

Execution

Closing the gap between trading price and NTA

Simplified strategy of investing in real estate equity. Longer term objective of owning direct and valued-add assets on TOT’s balance sheet

During FY21, TOT bought back 1.1m securities at a price of \$0.87, reflecting a -23.0% discount to NTA and 6.9% distribution yield

The Distribution Reinvestment Plan was opened for the June quarter distribution. Post period 2.1m securities were issued at a price of \$0.96

360 Capital Group, Directors and Key Management Personnel hold 21.5% of TOT

Growing distributions from 6.0cps base with opportunity for capital growth through equity investments

Consistent execution of TOT’s stated strategy of investing in real estate equity and increase the scale and liquidity of TOT

5. Key Focus and Guidance

Discount to NTA

Communication

Non Core Assets

Strategy

Guidance

Continue to execute on TOT’s refined strategy

Focus on closing the gap between trading price and NTA

Improve and maintain communication to existing and potential investors

Complete the sale of non-core assets, recycle proceeds into real estate equity

Maintain exposure to a diversified portfolio of real estate assets and support the growth of PMG Group

Base level FY22 earnings and distribution guidance of 6.0 cents per security, reflecting a 6.4%¹ distribution yield

¹ Based on annualised forecast EPS and DPS / closing price of \$0.935 on 17 August 2021



Appendix 1: Financials

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FY21 Balance sheet highlights



\$116.1m

Investments in listed securities

As at 30 June 2021, TOT had \$116.1m of IAP securities, representing 12.4% ownership. These are held at \$1.45 compared to an average acquisition price of \$1.41

\$155m¹

Capital deployed

During the period the remaining real estate loans were repaid and the capital deployed into real estate equity investments

\$1.14

NTA per security

Increase of 1 cent per security from the previous financial year

	30-Jun-21 (\$m)	30-Jun-20 (\$m)	Change (\$m)	Change (%)
Cash	15.6	78.5	(62.9)	
Receivables	0.8	0.6	0.2	
Loans receivable	-	42.4	(42.4)	
AMF Finance Joint Venture ²	0.1	0.2	(0.2)	
TOT TGP Joint Venture	0.6	1.0	(1.0)	
PMG Joint Venture	19.2	-	19.8	
Investments in listed securities	116.1	6.3	109.8	
Investment in unlisted securities	6.1	11.0	(4.9)	
Inventory	2.8	11.8	(9.0)	
Deferred consideration	3.9	-	3.9	
Convertible loan note	3.2	9.9	(6.7)	
TOTAL ASSETS	168.3	161.7	6.6	4%
Payables	2.9	0.2	2.6	
Deferred consideration	3.9	-	3.9	
Deferred tax liabilities	0.8	0.0	0.8	
Provision for income tax	1.5	1.3	0.2	
Distributions payable	2.1	3.1	(1.1)	
TOTAL LIABILITIES	11.2	4.7	6.5	140%
NET ASSETS	157.1	157.1	0.0	0%
Securities on issue	137.7	138.8	(1.1)	-1%
NTA per security	\$1.14	\$1.13		

¹ Capital deployed includes the committed underwriting facility for PMG.

² The value of TOT's 50% interest in AMF Finance joint venture is accounted for using the equity accounted method.

FY21 Profit and loss highlights



\$1.9m

Finance revenue

Finance revenue of \$1.9m, a –\$5.6m decrease from FY20 due to direct real estate loans being fully repaid in H1 FY21 and the capital being redeployed into real estate equity

\$9.2m

Statutory NPAT attributable to securityholders

\$1.2m decrease in statutory net profit attributable to securityholders reflecting the transition from real estate debt investing and redeployment of capital to equity investing during the year

\$8.6m

Operating profit

Operating profit¹ of \$8.6m reflecting a 12% increase on prior period as a result of the redeployment of capital into real estate equity and disposal of the PEET Limited stake

6.2cps

Operating earnings

Operating EPS decreased 13% reflecting an increase in operating profit offset by the higher weighted number of securities on issue compared to the pcp

6.0cps

Distributions per security

Distributions of 6.0cps for the period reflects a -33% decrease on the prior period in line with the new equity strategy

	FY21 (\$m)	FY20 (\$m)	Change (\$m)	Change (%)
Finance revenue	1.9	7.5	(5.6)	
Distribution income	3.7	0.8	2.9	
Net gain on fair value of financial assets	3.0	-	3.0	
Net gain on disposal of financial assets	5.4	-	5.4	
Gain on business acquisition	-	4.5	(4.5)	
Revaluation on acquisition of equity accounted investment	-	0.3	(0.3)	
Share of profits accounted for using the equity method	0.9	-	0.9	
Underwriting fee income	0.3	-	0.3	
Sale of inventory	10.1	6.7	3.4	
Loss reversal allowance (AASB 9) ²	0.1	0.9	(0.8)	
Other income	0.5	0.1	0.4	
TOTAL REVENUE	25.8	20.7	5.1	25%
Management fees and expenses	(4.0)	(1.4)	(2.6)	
Transaction costs	(0.7)	(0.8)	0.1	
Cost of goods sold	(9.0)	(5.6)	(3.4)	
Finance expenses	(0.0)	(0.2)	0.2	
Net loss on fair value of financial assets	-	(2.1)	2.1	
Net loss on disposal of financial assets	-	(0.5)	0.5	
Investment property expenses	(0.4)	(0.3)	(0.1)	
Profit from continuing operations	11.6	9.9	1.7	17%
Income tax (expense)/benefit	(2.4)	0.6	(3.0)	
STATUTORY PROFIT ATTRIBUTABLE TO SECURITYHOLDERS	9.2	10.4	(1.2)	-11%
Non-operating share of profits of equity accounted investments	0.4	(0.2)	0.6	
Net gain on business acquisition	-	(4.5)	4.5	
Net (gain) / loss on fair value of financial assets	(3.0)	2.1	(5.1)	
Tax Effect on Fair value (gain) / loss on investments	0.3	(0.5)	0.9	
Transaction costs	1.0	0.8	0.2	
Net (gain) / loss on disposal of financial assets	(5.4)	0.5	(5.9)	
Loss allowance (AASB 9) ²	(0.1)	(0.9)	0.8	
Performance fees	2.4	-	2.4	
Unrealised foreign exchange gain/loss	0.0	-	0.0	
Realised foreign exchange gain/loss	(0.4)	-	(0.4)	
Distributable Gain ³	4.2	-	4.2	
OPERATING PROFIT¹	8.6	7.7	0.9	12%
OPERATING EPS¹	6.2 cps	7.1 cps	-0.9 cps	-13%
DISTRIBUTIONS CPS	6.0 cps	9.0 cps	-3.0 cps	-33%

¹ Operating profit is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for non-operating items.

² The Fund has provisioned an allowance for loss on loans receivable for purposes of AASB 9, however there is currently no evidence any actual loss will eventuate.

³ Distributable (taxable) gain realised on disposal of Peet Limited (ASX: PPC) securities

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