



ASX Release

REAL ASSETS
PRIVATE EQUITY
CREDIT

360 Capital Group (TGP) – FY21 Results

26 August 2021

Principal Investing Driving Profits Focus on Higher Margin Funds Management Activities

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360 Capital Group (ASX:TGP) (the **Group**) is pleased to announce its financial results and operational update for the year ended 30 June 2021.

During FY21, the Group completed the buildout of its funds management business across four key strategies being: Real Assets, Private Equity, Public Equity and Credit with a view of scaling the funds within these strategies.

As the year progressed, it became evident that the impact of Covid was going to impede this strategy and on further analysis, the Board made the decision to focus on the strategies that provided the highest ROE for securityholders and exit low margin strategies such as Public Equities.

Late in FY21 the Group executed this strategy, rationalised its staff, exiting Cambridge Investment Partners, the Equities business, including Ralton Asset Management (Post Period) and commenced a strategic review of our Digital Infrastructure joint venture.

The Group continued to profit from principal investing during FY21, with \$9.1m (41% of total Group Revenue) being profit from the Group's investment in E&P Financial Group Limited (ASX:EP1).

Key financial results highlights for the 12 months ended 30 June 2021

- Operating revenue of \$21.0 million, up 121% on pcp;
- Statutory net profit of \$5.3 million up 307% on pcp due to principal investing profits
- Statutory earnings of 2.4 cps, up 306% on the pcp
- Operating profit of \$9.1 million up 111% on pcp due to principal investing profits
- Operating EPS of 4.2 cps up 100% on pcp
- Distributions per security (DPS) of 4.0cps consistent with pcp
- NAV per security of \$0.91, up 1.3% on pcp
- Strong balance sheet with \$19.3 million in cash, no debt, and more than \$150m in liquid assets



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FY21 Key Highlights

Over the 12 months to 30 June 2021, the management team focused on building the various funds to complete the Group's Alternative Asset Strategy. Highlights of the Group's activities by each strategy include:

Real Assets

- TOT successfully repositioned its strategy to become a pure real estate equity investment REIT;
- TOT mainly comprises two strategic investments being, 12.8%⁽¹⁾ of \$1.3 billion Irongate Group (ASX:IAP) and 50% PMG Funds Management Limited (FUM NZ\$781m);
- Hotel Capital Partners secured a hotel mandate which purchased its first hotel for \$146 million;
- GDC raised \$15.1 million and consolidate gross assets increased to \$163.8 million;
- GDC deployed \$82.3 million of capital across AirTrunk, ETIX Everywhere, Guam;

Private Equity

- Contracted to sell Digital Software Solutions (1.8x multiple on group capital), subject to Dealt shareholder approval;
- Closed \$11.8 million raising in 360 Capital Cardioscan Trust;
- Raised \$15.6 million in first round and \$20.0 million in second round funding of 360 Capital FibreconX Trust;
- Realised a \$9.1m total return on \$21.7m investment in E&P Financial Group Limited equating to an IRR of 54.9%.

Credit

- TGP was appointed the responsible entity of 360 Capital Enhanced Income Fund (ASX:TCF); (formerly Australian Enhanced Income Fund);
- Changed strategy of fund to mid-market private credit;
- Completed \$12.1 million raising to recapitalise the fund;
- Funds fully deployed into corporate loan investments, investigating further capital raisings, monthly distributions at 6.0% p.a.
- Currently exploring new wholesale credit fund due to wholesale investor demand.

Funds Management

As at 30 June 2021, the Group had four ASX listed entities (including TGP), three private equity funds and a major mandate in Hotel Capital Partners with total FUM of \$569 million, up 28% over FY21.

The composition of the FUM has changed significantly over the past 12 months with the removal of Public Equities (including Ralton Asset Management platform post period). Furthermore, a larger portion of the FUM now comprises private capital (as opposed to listed public capital) with a private mandate in Hotel Capital Partners and unlisted HNW capital in the PE funds.

Revenue from funds management was \$5.9 million for FY21, up 157% on pcp as a result of performance fees charged in FY21.

(1) As at 17 August 2021



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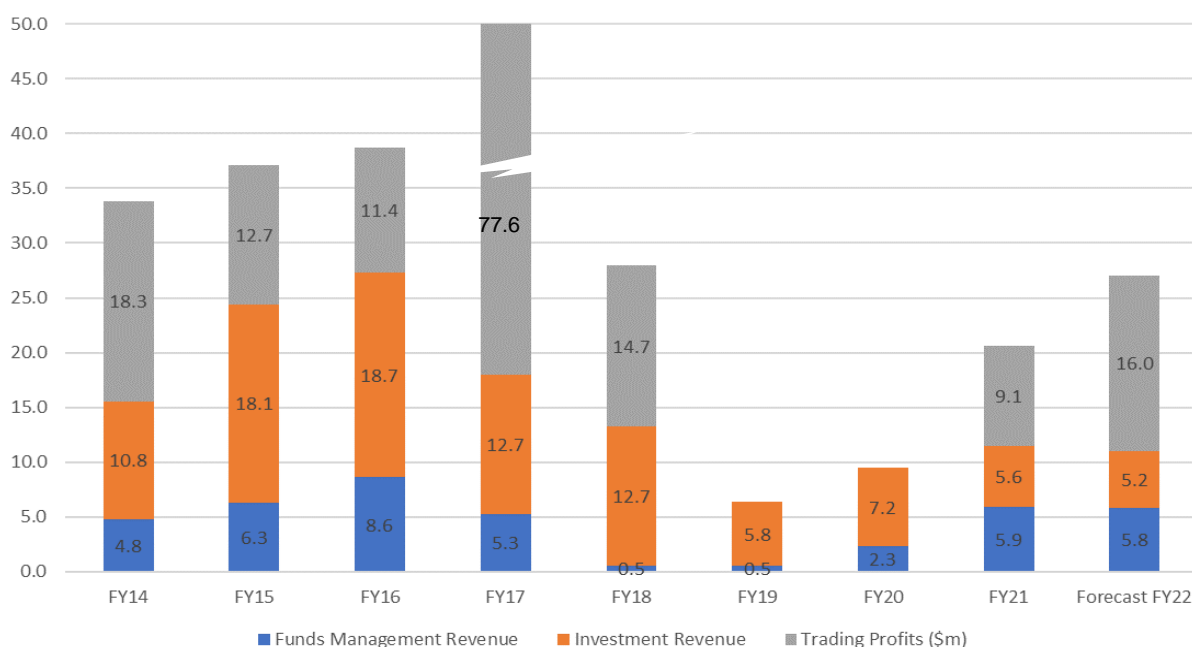
Principal Investments

The Group increased its principal investing during the year from \$106.0 million to \$178.6 million as at 30 June 2021, including the acquisition of a 5.6% stake in Irongate Group at a cost of \$48.3 million. Post period we settled the disposal of the balance our E&P Financial Group Limited stake for \$28.9 million and increased TGP's stake in Irongate Group by a further \$10.4 million, increasing our stake to 6.5%⁽²⁾

The Group continues to profit from principal investing with revenue of \$14.7 million on investments and \$0.4 million on financing activities. Although financing revenue was significantly down (as a result of all loans being repaid earlier in the year), investment revenue was up 220% on pcp.

During the year, the Group had trading profits of \$9.1 million from the sale of EP1 securities. This has been an ongoing theme of 360 Capital Group's history (as seen in the chart below) and we expect this trend to continue as we recycle and actively manage our principal investments.

Revenue Composition and Trading Profits



(2) As at 17 August 2021



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Key Focus for balance of FY22

- Sell Ralton Asset Management to complete exit of Equities Business- Sold post period
- Close the gap to NTA of 360 Capital's managed funds and grow their capital base
- Complete the strategic review of digital infrastructure interests within TGP with strategy to recycle capital for the Group
- Continue to grow mandates with Hotel Capital Partners
- Deploy further capital into private credit and equity investments
- Optimise our return in Irongate Group
- Execute on cost reduction program to increase Group earnings

Target operating earnings of 6.0-7.0 cps for FY22 and increase distributions/ dividends 50% on FY21 to 6.0cps (Fully Franked)

Authorised for release by Kimberley Child, Company Secretary.

More information on the Group can be found on the ASX's website at www.asx.com.au using the Group's ASX code "TGP", on the Group's website www.360capital.com.au, by calling the 360 Capital investor enquiry line on 1300 082 130 or by emailing investor.relations@360capital.com.au

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About 360 Capital Group (ASX: TGP)

360 Capital Group is an ASX-listed, investment and funds management group, focused on strategic and active investment management of alternative assets.

Led by a highly experienced team, the Group operates in Australian and global markets investing across real estate, private equity and credit strategies. We partner with our stakeholders to identify, invest and realise on opportunities.