



ASX Release

7 August 2023

360 Capital Mortgage REIT (ASX:TCF)

Financial Year 2023 Results

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360 Capital FM Limited as responsible entity on the 360 Capital Mortgage REIT (TCF), formerly 360 Capital Enhanced Income Fund, is pleased to announce its financial results for the year ended 30 June 2023.

FY23 Key Highlights

- Successful transition from corporate to real estate credit investing;
- Renamed TCF to 360 Capital Mortgage REIT to reflect the TCF's investment strategy;
- Total of \$34.8 million was lent in FY23, and a further \$10.7 million post period, with new loans being registered first mortgages;
- Increased monthly distributions by 16.7% from 3.0 cents per unit (cpu) to 3.5 cpu; and
- Commenced diversification of TCF's loan book through partial loan sell-down of loans to third party investors.

FY23 Key Financial Highlights

- Net profit of \$1.6 million up 16.8% on FY22;
- Earnings per unit of 39.0 cpu, up 7.7% on FY22;
- Total distributions of \$1.6 million to unitholders;
- Total distributions per unit of 39.0 cents, up 8.3% on FY22; and
- Net Tangible Assets (NTA) per unit of \$5.94 consistent with 30 June 2022.

During FY23, TCF increased monthly distributions from 3.0cpu for the first six months to 3.5cpu for the remainder of the year, providing investors with a total distribution for the period of 39.0cpu. All new loans within the portfolio have been structured with a margin over the 90-day BBSW (Bank bill swap rate) with a minimum rate floor to protect investors if interest rates fall. With rising interest rates in Australia, TCF is forecasting distributions for FY24 to be 42.0 cpu.

TCF's primary investment strategy is to provide investors with security of capital while offering an enhanced income return in the form of monthly distributions. In accessing any loan investment, 360 Capital places significant focus on the security of capital and repayment of the loan, ensuring appropriate security and borrower guarantees are in place, maintaining TCF's NTA.

360 Capital's Real Estate Credit Focus

360 Capital Group (ASX:TGP) has a successful track record in real estate credit investing, having originated and invested more than \$300 million in loan investments over the last six years.

Market conditions make real estate credit an attractive investment proposition. 360 Capital has expanded its activities in real estate credit investing, amending 360 Capital Private Credit Fund (PCF) to become a contributory mortgage fund and partner with TCF in loans, allowing TCF to diversify its exposure across a greater number of loans.



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360 Capital is currently focused on lending to built-form real estate, namely completed residential developments (residual residential apartments, townhouses and houses), recently completed investment assets which have historically been financed by Australian banks, investment asset repositioning (ie releasing, refurbishment or special situations) and stretched senior loan opportunities across investment assets.

Loan Portfolio

During FY23, TCF was repaid in full its \$24.5 million corporate loan and reinvested these proceeds into a \$24.4 million real estate loan facility in Sydney's northern suburbs in the same month. In May 2023, this loan was repaid in full.

In line with TCF's focus of lending to built-form real estate, in June TCF funded a \$10.4 million residual stock loan investment, secured against 30 individual apartments¹, first ranking general security deed and personal and corporate guarantees from the borrower.

As at 30 June 2023, TCF had \$14.4 million in cash. In July 2023, TCF made a second loan investment of \$10.7 million to a repeat borrower, secured by a registered first mortgage against 12 freestanding and completed houses located in north-western Sydney, first ranking general security deed and personal and corporate guarantees from the borrower.

Distribution Guidance

TCF is forecasting to maintain monthly distributions of 3.5 cpu equating to 42.0 cpu for FY24, an increase of 7.7% on FY23 distributions and reflects an 8.1% distribution yield on the current trading price².

Authorised for release by 360 Capital FM Limited Board.

For further information in relation please contact:

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

James Storey
Chief Executive Officer
360 Capital Group

Glenn Butterworth
Chief Financial Officer
360 Capital Group

About 360 Capital Mortgage REIT (ASX: TCF)

The 360 Capital Mortgage REIT provides investors access to credit opportunities secured by Australian real estate assets. TCF aims to deliver regular monthly income to investors through disciplined asset selection and risk analysis.

¹ As at 30 June 2023.

² Based on the closing price of 30 June 2023 of \$5.21 per security.