



# 360 Capital REIT (ASX:TOT)

(comprising: 360 Capital Passive REIT (ARSN 602 304 432) and 360 Capital Active REIT (ARSN 602 303 613))

## Entitlement Offer Presentation

14 February 2024

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



# Disclaimer

## **IMPORTANT NOTICES AND DISCLAIMER**

This presentation is dated 14 February 2024 and relates to a 0.8 for 1.0 non-underwritten, non-renounceable pro rata offer by 360 Capital REIT to Eligible Securityholders of New Securities to raise up to approximately \$46.8m (Entitlement Offer).

This presentation has been prepared by 360 Capital FM Limited (ACN 090 644 396, AFSL 221974) as responsible entity (Responsible Entity) of the 360 Capital REIT (comprising 360 Capital Passive REIT ARSN 602 304 432 and 360 Capital Active REIT ARSN 602 303 613) (TOT or the Fund). It is in summary form and is not necessarily complete. This presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (Corporations Act). The opportunities to participate in the Entitlement Offer referred to in this presentation are only being offered to Eligible Securityholders who are Securityholders of the Fund as at the Record Date being 7.00pm AEDT on 19 February 2024.

All information and statistics in this presentation are current as at 13 February 2024 unless otherwise specified. It contains selected summary information and does not purport to be all-inclusive or to contain all of the information that may be relevant to any particular transaction or which a prospective investor may require to evaluate a possible investment in the Fund. It should be read in conjunction with the Fund's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at [www.asx.com.au](http://www.asx.com.au). The recipient acknowledges that circumstances may change and that this presentation may become outdated as a result. This presentation and the information in it are subject to change without notice and the Responsible Entity is not obliged to correct or update the content of this presentation.

This presentation is provided for general information purposes only. It is not a product disclosure statement, pathfinder document or any other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission (ASIC). It should not be relied upon by the recipient in considering the merits of the Fund or the acquisition of Securities in the Fund. Nothing in this presentation constitutes investment, legal, tax, accounting or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of the Fund. The information contained in this presentation does not constitute financial product advice. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. It is not an invitation, recommendation or offer to buy or sell, or a solicitation to invest in or refrain from investing in, Securities in the Fund or any other investment product. Cooling off rights do not apply to the Entitlement Offer referred to in this presentation.

Certain market and industry data used in this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Responsible Entity nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications. The information in this presentation has been obtained from and based on sources believed by the Responsible Entity to be reliable. To the extent permitted by law, the Responsible Entity and its related bodies corporate and other affiliates and their respective directors, employees, consultants and agents ('360 Capital Group') make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this presentation.

The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions.

By accepting, accessing or reviewing this presentation or attending an investor presentation or briefing, you represent and warrant that you are entitled to receive this presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it. You are advised to read these important notices and disclaimers carefully before reading or making any other use of this presentation or any information contained in this presentation.

## **NOT FINANCIAL PRODUCT ADVICE**

The information in this presentation does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs. This presentation should be read in full before you decide to participate in the Entitlement Offer. Nothing in this presentation constitutes legal, financial, tax, accounting or other advice or any recommendation by the Responsible Entity. You should also read and understand the information on TOT and the Entitlement Offer made publicly available by TOT, before deciding to participate. You should conduct your own independent review, investigations and analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of TOT, and the New Securities, and obtain any legal, financial, tax and other professional advice you require to evaluate the merits and risks of an investment in TOT before making any investment decision. In particular, please refer to the enclosed materials, TOT's interim and annual reports and other announcements made available at [www.asx.com.au](http://www.asx.com.au) (including TOT's Annual Report).



# Disclaimer

## IMPORTANT NOTICES AND DISCLAIMER CONTINUED

### FORWARD LOOKING STATEMENTS

This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). Forward Statements can generally be identified by the use of 'forward-looking' terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'projects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology, and include (but is not limited to) financial outlook information and the outcome of the Entitlement Offer referred to in this presentation and the use of the proceeds. Forward Statements involve elements of subjective judgment, analysis and assumptions, are neither promises nor guarantees and involve known or unknown risks, uncertainties and other factors, some of which are beyond the ability of the 360 Capital Group to control or predict, which may cause actual results to vary materially from any projection, future results or performance expressed or implied by such Forward Statements. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the 360 Capital Group.

The financial outlook information has been prepared by the 360 Capital Group based on historical financial information and an assessment of current economic and operating conditions, including in relation to the current impact of the COVID-19 pandemic on TOT's business, and various assumptions regarding future factors, events and actions, including in relation to economic conditions, future growth, customer retention and contracts and the success of the external businesses in which the Fund holds an investment. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of the 360 Capital Group represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, the Responsible Entity assumes no obligation to release updates or revisions to Forward Statements to reflect any changes.

Forward Statements are by their nature subject to significant known and unknown risk, uncertainties and contingencies and other factors which are outside the control of 360 Capital Group, that may cause actual future results to differ materially from those expressed or implied in such statements (please see the 'Key Risks' section in Appendix A of this presentation for further details). Readers should be aware that the timing of actual events, and the magnitude of their impact might differ from that assumed in preparing the financial outlook information, which may have a material negative effect on actual future financial performance, financial position and cash flows. Should one or more of the risks or uncertainties materialise or should underlying assumptions prove incorrect there can be no assurance that actual outcomes will not differ materially from these statements. Similarly, no representation or warranty, express or implied, is made that the assumptions on which the Forward Statements are based may be reasonable. No audit, review or verification has been undertaken by the 360 Capital Group in respect of the Forward Statements in this presentation. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon and is not an indicator of future performance.

### RISKS

Investment in the Fund is subject to investment and other known and unknown risk, some of which are beyond the control of the Fund, including possible delays in payment or loss of income and principal invested. Neither the Responsible Entity, nor its associates or directors, nor any other person named in this presentation guarantee the performance of the Fund, the repayment of capital or any particular rate of capital or income return. While the Responsible Entity is a subsidiary of 360 Capital Group Limited, neither 360 Capital Group Limited nor its other subsidiaries guarantee performance by the Responsible Entity of its obligations as the Responsible Entity and are not responsible for any information in this presentation.

Some of the key risk factors that should be considered by prospective investors are set out in the 'Key Risks' section in Appendix A of this presentation. There may be risk factors in addition to these that should be considered in light of your personal circumstances including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer. You should also consider the risk factors that could affect the Fund's business, financial condition and results of operations.

### TIME AND CURRENCY

All references to time are to Australian Eastern Daylight Time (AEDT), unless otherwise indicated.

All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise. The recipient should note that this presentation contains pro forma financial information, including a pro forma balance sheet.

### KEY ASSUMPTIONS

Certain information in this presentation, particularly Forward Statements, are based on various assumptions. These assumptions include those customary when preparing such information, including no material changes to the competitive or regulatory environment, economic and industry conditions, laws or accounting standards, FX rates, disturbances or disruptions, changes to clients and their arrangements, litigation, key personnel and none of the risks arising (refer to the "Key Risks" section in Appendix A of this presentation). Refer also to slide 25, Financial Assumptions



# Disclaimer

## IMPORTANT NOTICES AND DISCLAIMER CONTINUED

### DISCLAIMER

To the extent permitted by law, no member of the 360 Capital Group accepts any liability (including, without limitation, any liability arising from fault or negligence on the part of any of them) for any loss whatsoever arising from the use of this presentation or its contents or otherwise arising in connection with it.

To the extent permitted by law, no representation or warranty is made as to the accuracy, adequacy, completeness or reliability of any statements, estimates, opinions or any other information contained in this presentation. To the extent permitted by law, the 360 Capital Group:

- expressly disclaims all liability and responsibility for any direct, indirect, consequential or contingent loss or damage which may be suffered through use or reliance on anything contained in or omitted from this presentation or otherwise arising in connection with this presentation;
- disclaims any obligations or undertaking to release any updates or revision to the information in this presentation to reflect any change in expectations or assumptions; and
- does not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation or that this presentation contains all material information about the Fund or that a prospective investor or purchaser may require in evaluating a possible investment in the Fund or acquisition of shares, or likelihood of fulfilment of any Forward Statement or any event or results expressed or implied in any Forward Statement.

The information in this presentation is not intended to be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation and particular needs.

### OTHER MATTERS

The Responsible Entity specifically prohibits the redistribution or reproduction of this presentation in whole or in part without the written permission of the Responsible Entity and the Responsible Entity accepts no liability whatsoever for the actions of third parties in this respect.

The Responsible Entity reserves the right to vary the timetable included in this presentation.

360 Capital Group reserves the right to withdraw the Entitlement Offer.

Cooling-off rights do not apply to the acquisition of New Securities.



## Table of contents

<b>1</b>	<b>Executive summary</b>	<b>6</b>
<b>2</b>	<b>Portfolio overview</b>	<b>9</b>
<b>3</b>	<b>Entitlement Offer</b>	<b>18</b>
<b>4</b>	<b>Financials</b>	<b>21</b>
<b>Appendix A</b>	<b>Key risks</b>	<b>28</b>
<b>Appendix B</b>	<b>Glossary</b>	<b>33</b>



1. Executive summary



## Executive summary

### Portfolio highlights as at 31 December 23

- \$227.5 million modern core portfolio with an average building age of 3.2 years<sup>1</sup>
- The portfolio is currently valued below replacement cost and is well located across eastern states of Australia
- High quality cashflow with 84.7% of tenants Government or ASX listed tenants with weighted average lease term of 7.0 years and 93.2% occupancy

### HY24 financial snapshot and headwinds

- As a result of the reduction in asset values since acquisition and the \$11.8 million payment of tax in December 2023 from the profit on the Irongate transaction, TOT's gearing is 41.6% as at 31 December 2023, above the Fund's target gearing range of 30-40%
- Higher borrowings and interest costs have significantly impacted earnings resulting in TOT rebasing its distributions post the Entitlement Offer. March 2024 distribution to remain unchanged at 1.5cps
- The June 2024 distribution is forecast to be rebased to 0.75cps. FY25 distributions are also forecast to be 3.0cps p.a., paid quarterly

### Entitlement Offer summary

- TOT is seeking to raise up to \$46.8 million to reduce borrowings and ongoing interest costs
- 0.8 for 1 pro-rata, non-underwritten, non-renounceable Entitlement Offer resulting in the issuance of up to 117.0 million New Securities to Eligible Securityholders who are Securityholders of TOT on the record date of 7.00 pm AEDT, 19 February 2024
- Offer Price of \$0.40 per New Security representing a:
  - 26.6% discount to the last ASX closing price on 13 February 2024;
  - 27.1% discount to the 5 day VWAP of \$0.549 per security
  - 19.7% discount to the TERP of \$0.498 per security<sup>2</sup>
- New Securities will not be entitled to the March 2024 distribution, but entitled to the June 2024 distributions in full in line with Existing Securities
- Major Securityholder, 360 Capital Group and entities associated with Tony Pitt have committed to taking up their Entitlement in full representing 30.4% of the Entitlement Offer

1. Average age assumes from the date of major refurbishment of 38 Sydney Avenue and completion date for remaining portfolio

2. Based on the Entitlement Offer having a participation level of 60%, refer to Section headed "Financials" in this presentation.

3. The take up or participation level under the Entitlement Offer is based on the percentage of the total number of Securities taken up under the Entitlement Offer

### Financial snapshot post raising

#### Rebased Distributions

## 3.0cps

FY25 forecast distributions rebased to be in line with earnings per Security on a fully leased basis<sup>2</sup>

#### Reduced Gearing

## 22.0% - 35.1%

Net proceeds from the Entitlement Offer used to reduce debt. Gearing reduces to 35.1% at 35% take-up and 22.0% at 100% take-up of the Entitlement Offer<sup>3</sup>

#### Franking of Distributions

## 100%

Fund has a history of paying fully franked distributions and expects to continue to pay fully franked distributions in FY24 and FY25

#### Entitlement Offer Price

## \$0.40

Per New Security, representing a 26.6% discount to the last ASX closing price on 13 February 2024

#### Offer Price Distribution Yield

## 7.5% p.a.

Offer Price of \$0.40 and forecast FY25 distribution of 3.0cps



## Entitlement Offer summary

<b>Capital raising metrics</b>	Offer Price	\$0.40 per Security
	Total Offer maximum amount	\$46.8 million
	Forecast Q4 24 DPS / distribution yield <sup>1</sup>	<b>0.75 cents / 7.5%</b>
	Forecast FY25 DPS / distribution yield <sup>1</sup>	<b>3.0 cents / 7.5%</b>
	Forecast franking of distributions FY24, FY25	100% fully franked
	Ranking for distribution for New Securities	Nil March 2024, full June 2024 quarter
	Maximum New Securities to be issued under the Offer	117.0 million
	Pro forma NTA per Security range <sup>2</sup>	\$0.67 - \$0.78
	Offer Price <sup>1</sup> discount to pro forma NTA per Security range	40.5% - 48.9%
	Discount to 5-day VWAP <sup>3</sup>	(27.1%)
	Theoretical Ex Rights Price (TERP) range	\$0.481 - \$0.513
	Offer Price discount to TERP range	(22.1%) – (16.8%)
	Pro forma gearing range	22.0% - 35.1%
	Pro forma market capitalisation range <sup>1</sup>	\$75 million - \$105 million
<b>Capital raising timetable</b>	Record Date for the Entitlement Offer (7pm AEDT)	Monday, 19 February 2024
	Entitlement Offer opens	Thursday, 22 February 2024
	Entitlement Offer closes (5pm AEDT)	Thursday, 7 March 2024
	Expected Trading of New Securities issued under the Entitlement Offer on a normal basis	Friday, 15 March 2024

1. Based on the Offer Price of \$0.40 per New Securities, Q4 distribution yield based on rebased Q4 distribution annualised. (Forecast operating income statement on slide 24)

2. Based on the proforma TOT balance sheet post the Offer, with range depending on the final allotment of New Securities under the Offer. Range above assumes 35% (\$0.78) and 100% (\$0.67) take-up

3. VWAP is calculated over the period from 6 February 2024 to 13 February 2024 as the total 5-day value divided by the 5-day total volume of Securities sold on ASX up to and including that date



2. Portfolio overview



## Portfolio overview

“84.7% of the portfolio is leased to government and publicly listed tenants, diversified across industry segment and asset class”

<b>Portfolio occupancy<sup>1</sup></b> <b>93.2%</b>	<b>Weighted average lease expiry<sup>1</sup></b> <b>7.0 years</b>	<b>Weighted average cap rate<sup>2</sup></b> <b>5.33%</b>	<b>Gross assets</b> <b>\$233.6m</b>
--	--	--	--

### Portfolio diversification by asset class<sup>2</sup>

**High-tech industrial – 15.6%**



**Office / healthcare – 50.8%**



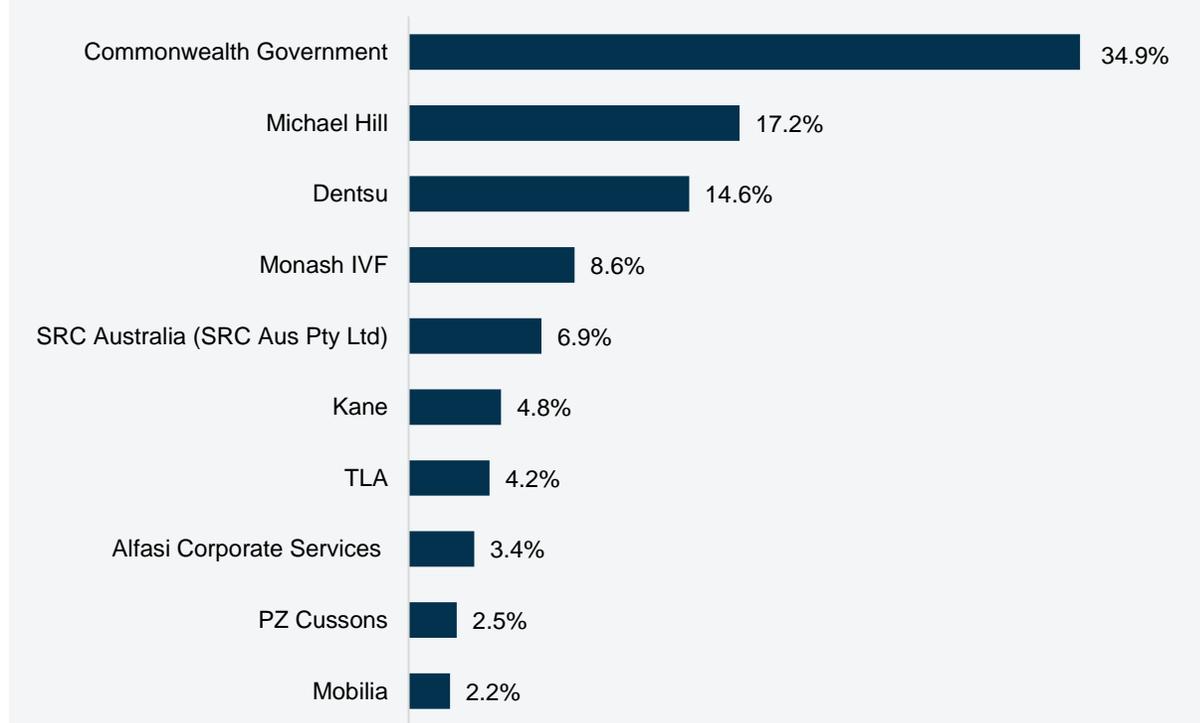
**Office – 32.0%**



**Retail – 1.6%**



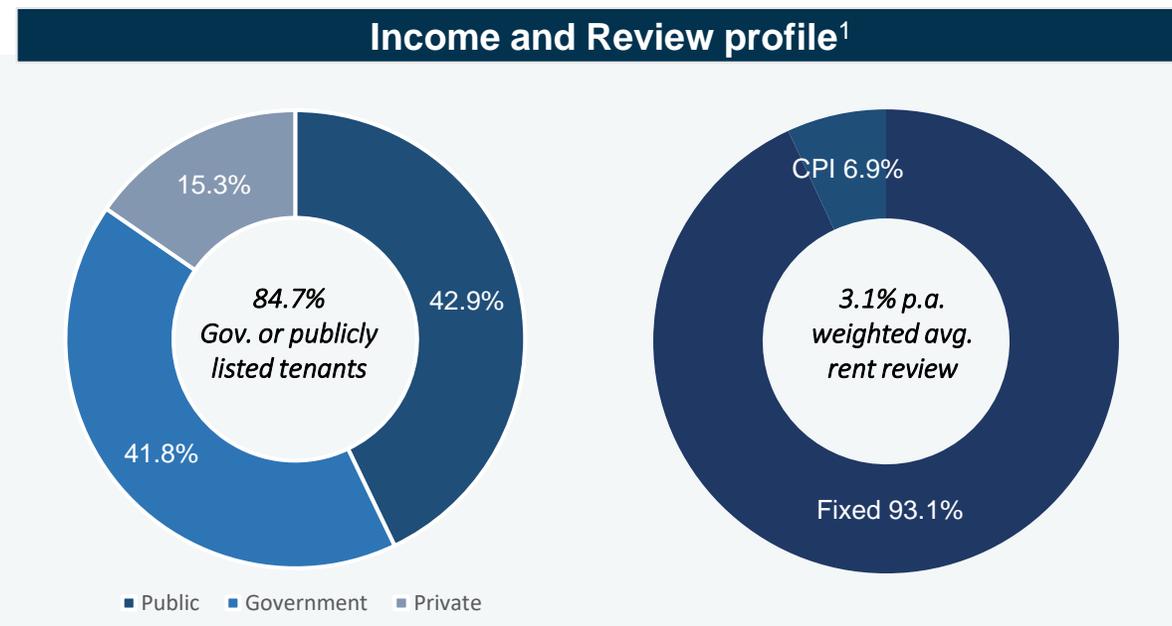
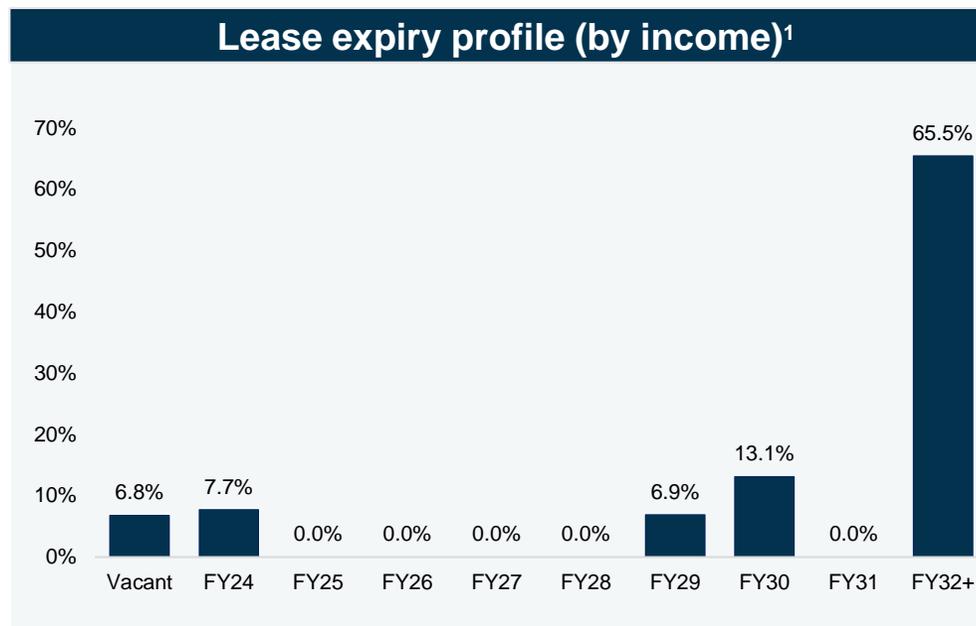
### Top 10 tenants<sup>1</sup>



1. Weighted by gross income including car parking, rental guarantee and excluding outstanding incentives  
 2. Weighted by value



# Leasing expiry profile



## Current vacancy

ADDRESS	AREA	INCOME (%) <sup>1</sup>	EXPIRY
A.L2, 510 Church Street, Cremorne	1,332 Sqm	3.6%	-
B.L2, 510 Church Street, Cremorne	1,250 Sqm	3.2%	-

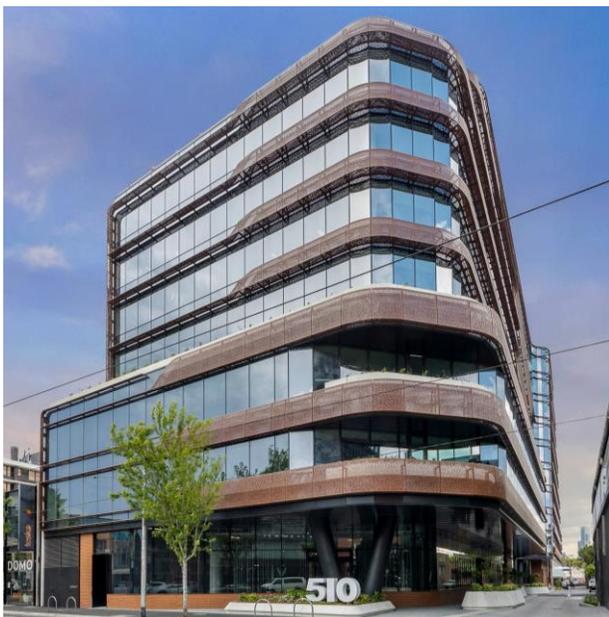
## FY24 expiry

ADDRESS	AREA	INCOME (%) <sup>1</sup>	EXPIRY
L1, 38 Sydney Ave, Canberra	2,206 Sqm	7.7%	Jun-24

1. Weighted by gross income including car parking, rental guarantee and excluding outstanding incentives



## 510 Church Street, Cremorne VIC



### Overview

- 510 Church Street is a brand-new A-grade office/healthcare (65% office/35% healthcare) building comprising 19,749 sqm of lettable area across 9 levels, 6 levels of office, 3 levels of healthcare accommodation, ground floor retail and 145 car parks
- The property was constructed in order to achieve a 5.0 Star NABERS Energy Rating and 5 Star Green Star Design Rating

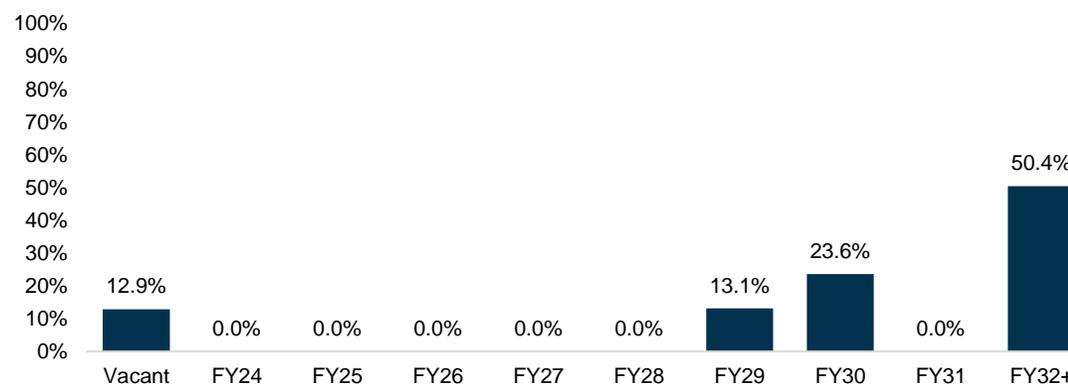
### Tenancy Profile

Tenant	% Total Gross Rent <sup>4</sup>	NLA <sup>3</sup> (sqm)	Review type	Expiry date	Option to extend
Dentsu	23.6%	4,668	Fixed	Jul 29	3
Commonwealth Govt.	21.8%	4,307	Fixed	Oct 31	5
Monash IVF	14.0%	2,623	Fixed	Jan 32	2 x 5
Kane	7.8%	1,393	Fixed	Oct 31	2 x 5
TLA	6.8%	1,400	Fixed	Feb 32	3
Alfasi	5.5%	1,174	Fixed	Dec 28	1 x 3
PZ Cussons	4.1%	804	Fixed	Dec 28	-
Mobilia	3.5%	768	Fixed	Jan 29	2 x 3
<b>Total</b>	<b>87.1%</b>	<b>17,137</b>			

### Summary Metrics

Valuation <sup>1</sup>	\$117.5m (50%)
Independent Valuation Date	November 2023
Ownership Interest	50%
Title	Freehold
NABERS Rating	5.0 Star <sup>2</sup>
NLA <sup>3</sup>	19,749 sqm
Site Area <sup>3</sup>	3,022 sqm
Occupancy <sup>4</sup>	87.1%
WALE <sup>4</sup>	5.98 years
Cap Rate	5.25%
\$/Sq <sup>3</sup>	\$11,900

### Lease expiry profile (by income)<sup>4</sup>



1. At 50% ownership
2. The building is designed to achieve a 5 Star NABERS Rating
3. At 100% ownership
4. Weighted by gross income including car parking and excluding outstanding incentives



## 34 Southgate Ave, Cannon Hill QLD



### Overview

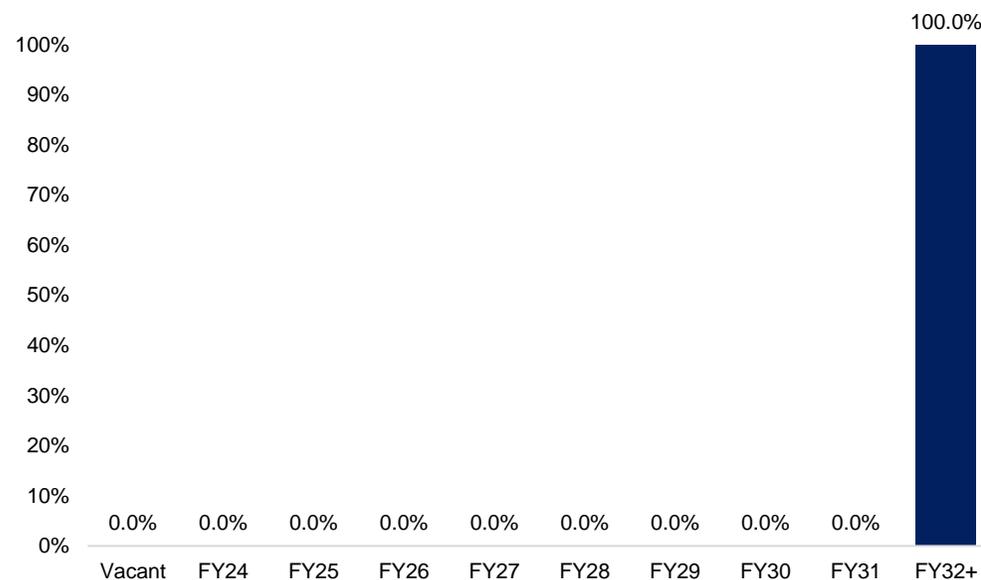
- 34 Southgate Avenue is a brand-new high tech industrial building that is wholly leased to ASX listed Michael Hill International (ASX:MHJ)
- The lease is subject to a fixed annual review of 3.0% p.a.
- Certified 5.0 Star NABERS Energy Rating

1. Weighted by gross income including car parking

### Tenancy Profile

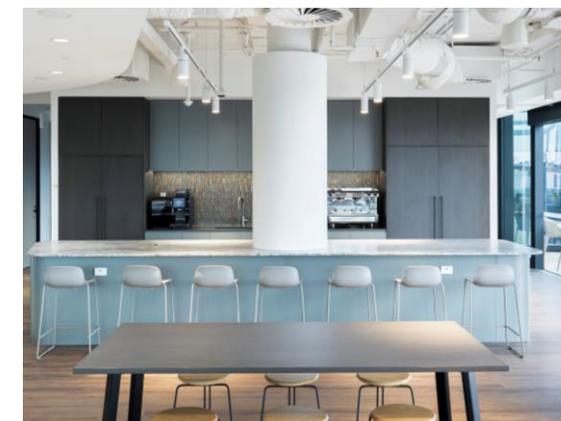
Tenant	% total Gross Rent <sup>1</sup>	NLA (sqm)	Review type	Expiry date	Option to extend
Michael Hill	100.0%	3,585	Fixed	Sept 32	2 x 5
<b>Total</b>	<b>100.0%</b>	<b>3,585</b>			

### Lease expiry profile (by income)<sup>1</sup>



### Summary Metrics

<b>Valuation</b>	\$36.0m
<b>Independent Valuation Date</b>	June 2023
<b>Ownership Interest</b>	100%
<b>Title</b>	Freehold
<b>NABERS Rating</b>	5.0 stars
<b>NLA</b>	3,585 sqm
<b>Site Area</b>	2,598 sqm
<b>Occupancy<sup>1</sup></b>	100.0%
<b>WALE<sup>1</sup></b>	8.7 years
<b>Cap Rate</b>	5.25%
<b>\$/Sqm</b>	\$10,042





## 38 Sydney Ave, Forrest ACT



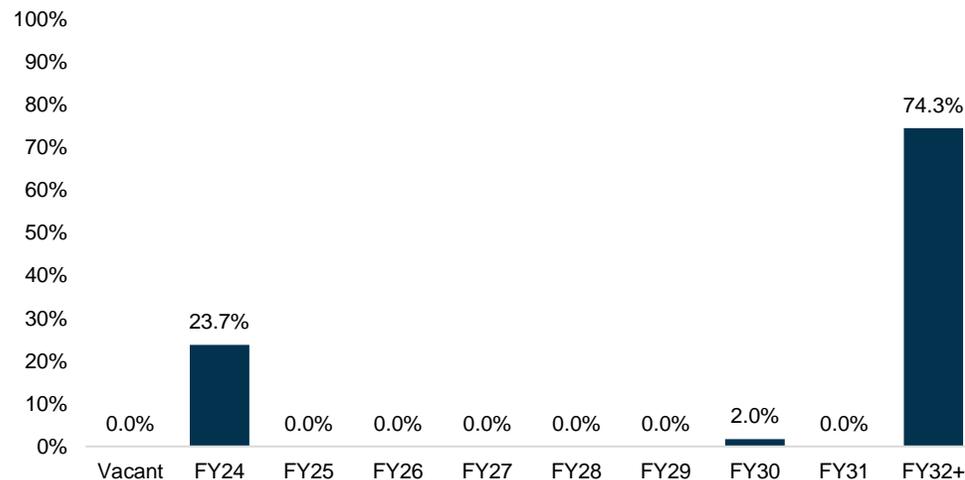
### Overview

- The Property comprises a modern four (4) storey A-Grade commercial office building, with a single basement car park accommodating 82 car spaces, bicycle storage, and end of trip facilities
- The building has a 4.5 Star NABERS Energy rating
- The weighted average rent review is 3.8%<sup>1,2</sup> p.a.

Tenancy Profile					
Tenant	% total Gross Rent <sup>1</sup>	NLA (sqm)	Review type	Expiry date	Option to extend
Commonwealth Govt.	56.1%	4,857	Fixed	Dec 34	5
Rental Guarantee	23.7%	2,206	-	Jun 24	-
SRC Australia	18.2%	1,541	> Fixed or CPI	Jan 32	5
Feifie Takeaway	2.0%	114	Fixed	Jun 29	5
<b>Total</b>	<b>100.0%</b>	<b>6,398</b>			

Summary Metrics	
<b>Valuation</b>	\$74.0m
<b>Independent Valuation Date</b>	June 2023
<b>Ownership interest</b>	100%
<b>Title<sup>3</sup></b>	Leasehold
<b>NABERS rating</b>	4.5 stars
<b>NLA</b>	8,718 sqm
<b>Site Area</b>	3,269 sqm
<b>Occupancy<sup>1</sup></b>	100.0%
<b>WALE<sup>1</sup></b>	7.9 years
<b>Cap Rate</b>	5.50%
<b>\$/Sqm</b>	\$8,510

### Lease expiry profile (by income)<sup>1</sup>



1. Weighted by gross income including car parking and rental guarantee  
 2. CPI based on September quarter 2023 ABS CPI data  
 3. Crown leasehold



## Home HQ, Artarmon NSW – non core asset



### Major Tenants



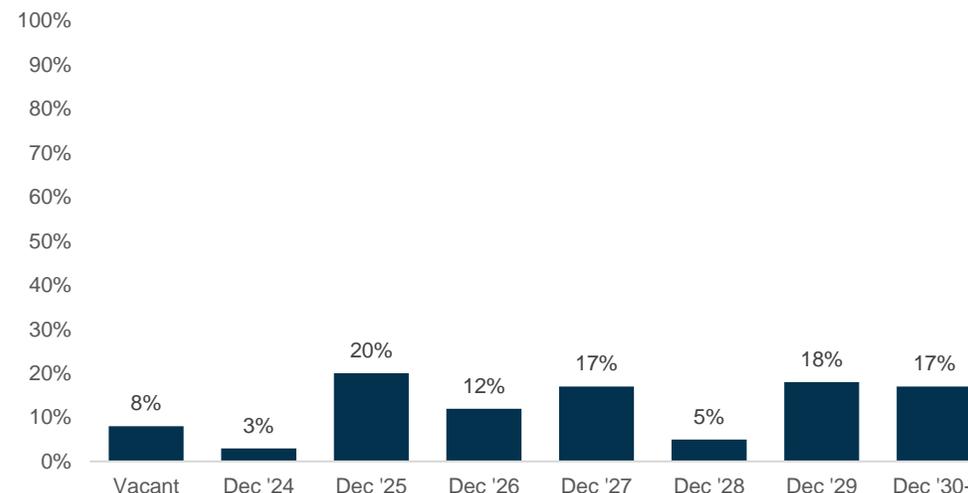
### Summary Metrics

Valuation <sup>1</sup>	\$3.8m
Valuation Date	Dec 23
Ownership Interest	4.52%
Title <sup>2</sup>	Leasehold
NABERS Rating	6 Stars
GLA	22,987 sqm
Site Area	1.6 Ha
Occupancy <sup>3</sup>	92.3%
WALE <sup>3</sup>	3.6 years
Cap Rate	6.5%
\$/Sqm	\$7,570

### Overview

- Completed in 2010, Home HQ is an award-winning adaptive re-use of a heritage industrial building, providing 22,987 sqm (Lettable Area) of modern retail space across 3 levels, plus 427 basement car bays.
- 92.3% occupied<sup>3</sup>
- Sale campaign unsuccessful. Fund extended by 12 months to 10 May 2025.

### Lease expiry profile<sup>4</sup>



1. Reflecting 4.52% equity interest of Fund as at 31 December 2023. Asset independently valued by JLL Australia, at \$174m as at 31 December 2023  
 2. Leasehold interest to Willoughby City Council (expires 31 May 2107)  
 3. By Income as at 31 December 23  
 4. Sourced from "Fortius Sydney Homemaker Trust December 2023" investor update. Reported by area based on calendar period to December.



## Leasing strategy

### 510 Church Street, Cremorne

- Market enquiry focused on fitted out space
- Completed speculative fit out of Level 2 in October 2023
- Comprises two tenancies, being 1,332 Sqm and 1,250 Sqm in line with market demand
- Remaining vacancies under parked due to existing tenant demand for car spaces

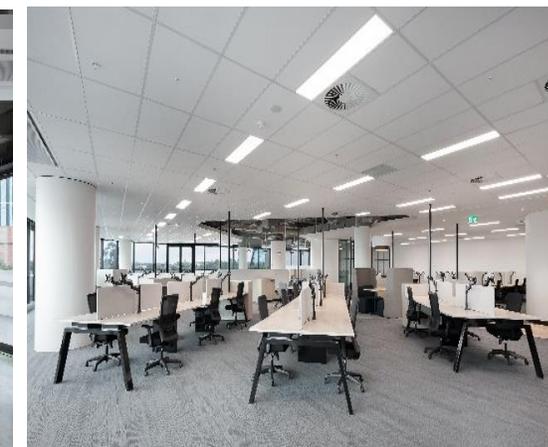
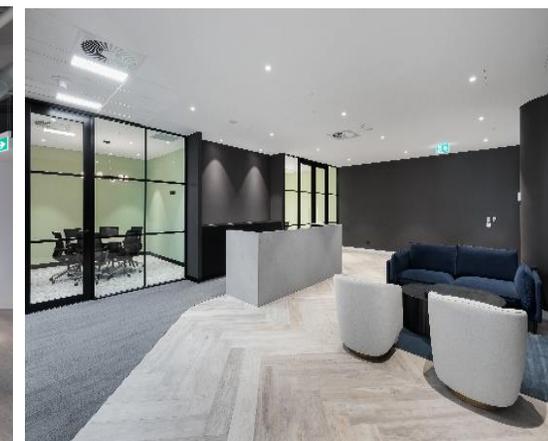
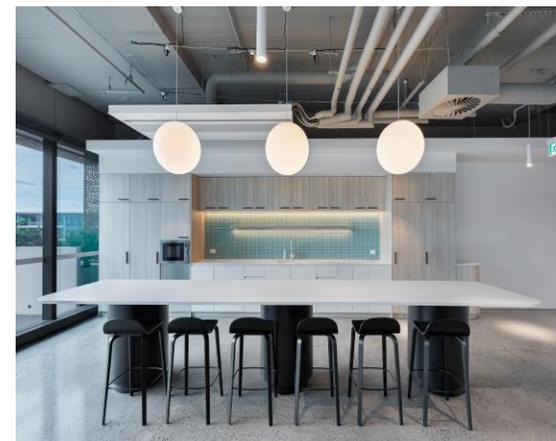
### 38 Sydney Avenue, Forrest

- The vacant space at this property is subject to a rental guarantee until June 2024
- The property currently offers the only >2,000 sqm contiguous A-grade tenancy in the Forrest/Barton precinct
- Limited market activity, change of leasing agent and relaunch of space has generated enquiry

### Office leasing markets

- **Cremorne, Melbourne:** Premium fringe office continues to benefit from the flight to quality and amenity. The perception of risks to delivery cost and timing of office fit outs has skewed tenant demand towards fitted office space
- **Forrest/Barton, Canberra:** The Barton/Forrest market in Canberra is expected to remain one of Australia's tightest capital city office markets with vacancy in the Forrest precinct currently 4.7%<sup>1</sup>

### Speculative Suite Strategy – 510 Church Street, Cremorne



1. PCA Office Market Report – December 2023



## FY24 ESG initiatives

Property	Current / Target NABERS Rating	FY24 Initiatives
510 Church Street, Cremorne, VIC	5.0 stars <sup>1</sup>	Continue optimising building performance, expected to achieve a 5-star NABERS rating once the building has reached 100% occupancy
34 Southgate Avenue, Cannon Hill, QLD	5.0 stars	Achieved 5-Star NABERS rating in December 2023
38 Sydney Avenue, Forrest, ACT	4.5 stars <sup>2</sup> / 5.0 stars	Continuing implementing NABERS Improvement Plan. Building tracking toward 5-Star NABERS rating during 2024

**Targeting 5-Star NABERS Rating across the portfolio**

**~260kW Solar systems**

**Focus on maximising sustainability through building commissioning and tuning**



1. The building designed to achieve this NABERS rating  
 2. Installation of the solar panel system is expected to increase the NABERS rating to 5 stars



3. Entitlement Offer



## Details of the Entitlement Offer

<b>Entitlement Offer structure and size</b>	<ul style="list-style-type: none"> <li>• 0.8 for 1 pro-rata non-renounceable Entitlement Offer resulting in the issuance of up to 117.0 million New Securities to Eligible Securityholders, raising up to \$46.8 million<sup>1</sup></li> <li>• The Entitlement Offer is only available to existing TOT Securityholders who are registered Securityholders of TOT on the record date of 7.00pm AEDT on 19 February 2024 and have an address in Australian or New Zealand (Eligible Securityholders)<sup>2</sup></li> <li>• Eligible Securityholders who wish to participate in the Entitlement Offer must return an Entitlement and Acceptance Form or pay by Bpay before 5:00pm (AEDT) on 7 March 2024. Refer to the definition of Eligible Securityholder for further details</li> <li>• There is no institutional or general offer as part of this Entitlement Offer</li> <li>• Eligible Securityholders can take up all or part of their entitlement however there is no facility for Eligible Securityholders to apply for additional New Securities</li> </ul>
<b>Key dates</b>	<ul style="list-style-type: none"> <li>• Key dates in relation to the Entitlement Offer are as follows:             <ul style="list-style-type: none"> <li>○ Record date for the Entitlement Offer is 7.00pm (AEDT) on 19 February 2024</li> <li>○ the Entitlement Offer opens Thursday, 22 February 2024</li> <li>○ the Entitlement Offer closes 5 pm AEDT Thursday 7 March 2024</li> </ul> </li> </ul>
<b>Non-renounceable</b>	<ul style="list-style-type: none"> <li>• Entitlement Offer is non-renounceable and Securityholders will not receive any value for entitlements not taken up</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>• New Securities issued under the Entitlement Offer will not rank for the March 2024 distribution and are expected to initially trade under a new ASX code until post March 2024 distribution, after which they will trade as ordinary Securities. The New Securities issued under the Entitlement Offer will not rank for the March 2024 distribution. Following the record date for the March 2024 distribution, New Securities will rank equally with all other Securities on issue, will trade under ASX code TOT and be entitled to participate fully in the June 2024 quarter distribution</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>• The Entitlement Offer is not underwritten</li> </ul>

1. Based on 100% participation rate under the Entitlement Offer.

2. In addition to this criteria, an Eligible Securityholder is also required to be (i) a Securityholder who is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent a Securityholder holds Securities for the account or benefit of such person in the United States, the Securityholder will not be eligible to participate on behalf of such person); and (ii) a Securityholder who is eligible under all applicable securities law to receive an offer under the Entitlement Offer.



## Indicative timetable<sup>1</sup>

<b>Announcement of HY24 results and Entitlement Offer</b>	Wednesday, 14 February 2024
<b>Ex date</b>	Friday, 16 February 2024
<b>Record Date for the Entitlement Offer (7pm AEDT)</b>	Monday, 19 February 2024
<b>Open of Offer and Entitlement Offer Booklet and personalised entitlement and acceptance forms sent to Eligible Securityholders</b>	Thursday, 22 February 2024
<b>Offer Closes (5pm AEDT)</b>	Thursday, 7 March 2024
<b>Securities are quoted on a deferred settlement basis</b>	Friday, 8 March 2024
<b>Announcement of results of Entitlement Offer</b>	Tuesday, 12 March 2024
<b>Settlement of Entitlement Offer and Allotment of New Securities</b>	Thursday, 14 March 2024
<b>Expected trading of New Securities issued under the Entitlement Offer</b>	Friday, 15 March 2024
<b>Dispatchment of holding statements</b>	Monday, 18 March 2024
<b>Ex date for March 2024 distribution</b>	Wednesday, 27 March 2024
<b>Record date for March distribution</b>	Thursday, 28 March 2024

1. Note: All dates and times are indicative only and subject to change at the discretion of Responsible Entity. All dates and times are references to Australian Eastern Daylight Savings Time



4. Financials



## Source and application of proceeds

- TOT is seeking to raise up to a maximum of \$46.8 million to reduce borrowings
- 0.8 for 1 non-underwritten, pro-rata, non-renounceable Entitlement Offer at an Offer price of \$0.40 per New Security
- As the Entitlement Offer is not underwritten and there is no ability for Existing Securityholders to subscribe for additional New Securities, or no general offer, the final amount raised will vary depending on the level of participation
- Major Securityholder, 360 Capital Group and entities associated with Tony Pitt have committed to taking up their Entitlement in full representing 30.4% of the Entitlement Offer
- Financial analysis below assumes an assumptions range of between 35% and 100% participation

Sources (\$0'000)	35% Participation	60% Participation	100% Participation
Entitlement Offer	16,425	28,111	46,807
<b>Total Sources</b>	<b>16,425</b>	<b>28,111</b>	<b>46,807</b>

Application (\$0'000)	35% Participation	60% Participation	100% Participation
Debt repayment	16,282	27,949	46,637
Raising costs	144	161	171
<b>Total Application</b>	<b>16,425</b>	<b>28,111</b>	<b>46,807</b>

Security Issuance (0'000)	35% Participation	60% Participation	100% Participation
Existing Securities on issue	146,232	146,232	146,232
New Securities to be issued	41,063	70,276	117,019
<b>Total Securities Post Issue</b>	<b>187,295</b>	<b>216,509</b>	<b>263,251</b>



## Proforma balance sheet metrics

Balance sheet (\$'000)	31 December 2023	31 December 2023 proforma adj. for DRP <sup>1</sup>	Proforma post Entitlement Offer 35%	Proforma post Entitlement Offer 60%	Proforma post Entitlement Offer 100%
Cash and cash equivalents	1,912	716	716	716	716
Other assets	455	455	455	455	455
Fund investment	3,750	3,750	3,750	3,750	3,750
Investment properties	227,500	227,500	227,500	227,500	227,500
<b>Total assets</b>	<b>233,617</b>	<b>232,421</b>	<b>232,421</b>	<b>232,421</b>	<b>232,421</b>
Other liabilities	3,234	3,234	3,234	3,234	3,234
Distribution provision	2,167	-	-	-	-
Deferred tax liability	481	481	481	481	481
Interest bearing liabilities	98,300	98,300	82,018	70,351	51,663
<b>Total liabilities</b>	<b>104,182</b>	<b>102,015</b>	<b>85,733</b>	<b>74,066</b>	<b>55,378</b>
<b>Net tangible assets</b>	<b>129,435</b>	<b>130,406</b>	<b>146,687</b>	<b>158,355</b>	<b>177,042</b>
Number of securities on issue	144,437	146,232	187,295	216,509	263,251
<b>NTA (\$ per security)</b>	<b>\$0.90</b>	<b>\$0.89</b>	<b>\$0.78</b>	<b>\$0.73</b>	<b>\$0.67</b>
<b>Gearing (net debt)</b>	<b>41.6%</b>	<b>42.1%</b>	<b>35.1%</b>	<b>30.1%</b>	<b>22.0%</b>
New Securities issued under the Entitlement Offer			41,063	70,276	117,019
Net proceeds used for debt reduction			16,282	27,949	46,637

Net Entitlement Offer proceeds used to reduce borrowings

Increase in securities from Entitlement Offer

1. 31 December 2023 proforma adjusted for December quarter Distribution Reinvestment Plan ("DRP") issuance of 1,795,904 Securities raising \$970,000.



## Forecast operating income statement<sup>2</sup>

Includes no rental income from vacancies. Once leased, additional gross property income up to 1.0 cps p.a

Reduction in interest expense due to debt reduction from the Entitlement Offer<sup>1</sup>

Forecast profit & loss (\$'000)	FY23	1H24 actuals	2H24 forecast post capital raise @ 60% take-up	FY24 full year forecast @ 60% take-up	FY25 forecast @ 60% take-up
Gross property income	11,916	6,619	6,829	13,448	13,337
Distribution income	155	75	75	150	150
Net gain on disposal of finance asset	2,577	-	-	-	-
Finance revenue	267	51	39	90	38
Other income	80	15	-	15	-
<b>Total revenue</b>	<b>14,995</b>	<b>6,760</b>	<b>6,943</b>	<b>13,703</b>	<b>13,526</b>
Direct property expenses	1,997	1,234	1,334	2,568	2,802
Management fees and expenses	2,019	935	966	1,901	1,997
Interest expense <sup>1</sup>	3,855	2,748	2,664	5,412	4,303
<b>Total expenses</b>	<b>7,871</b>	<b>4,917</b>	<b>4,964</b>	<b>9,881</b>	<b>9,072</b>
<b>Operating earnings<sup>4</sup></b>	<b>7,124</b>	<b>1,843</b>	<b>1,979</b>	<b>3,822</b>	<b>4,453</b>
Weighted securities on issue	143,476	144,437	200,872	166,003	216,509
<b>Actual / forecast EPS</b>	<b>5.0 cps</b>	<b>1.3 cps</b>	<b>0.9 cps</b>	<b>2.3 cps</b>	<b>2.1 cps</b>
Top-up from retained earnings (cps)				3.0 cps	Nil – 0.9 cps
Upside from leasing vacancies (cps)				Nil	0.9 – nil cps
<b>Actual / forecast DPS</b>	<b>6.0 cps</b>	<b>3.0 cps</b>	<b>2.3 cps</b>	<b>5.3 cps</b>	<b>3.0 cps</b>

### Leasing sensitivity<sup>3</sup>

FY25 downtime	Level 2, 510 Church St	Level 1, 38 Sydney Ave	Total FY25 Upside cps
Nil downtime	0.45	0.54	1.00
3 months	0.34	0.41	0.75
6 months	0.23	0.27	0.50
9 months	0.11	0.14	0.25
12 months	-	-	-

FY25 earnings will depend on leasing up, with any downtime topped up from retained earnings

1. Post the Entitlement Offer, the Fund will review its interest rate hedging having regard for the reduced debt amount and leasing market and opportunities across the vacant tenancies

2. Based on 60% participation in the Entitlement Offer. At 35% participation the eps reduces by 0.04 cps and increases by 0.05 cps if there is 100% participation under the Entitlement Offer, however, the level of participation will not impact the forecast distribution of 3.0cps in FY25

3. Leasing up sensitivity based on management's assessment of market rents, letting up allowances and incentives over currently vacancies within the portfolio

4. Operating earnings is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents profit under AAS adjusted for non-operating items, which management consider to reflect the core earnings of the Fund and is used as a guide to assess the Fund's ability to pay distributions to stapled securityholders. The information provided is net of non-operating items including transaction costs, rent straight-lining adjustments, amortisation of lease incentives and borrowing costs, unrealised fair value adjustments of financial assets, liabilities and investment properties, impairment adjustments, share of equity accounted profits non-operating items and all other non-operating activities. For full statutory accounts including disclosures together with operating earnings to statutory profit reconciliations refer 360 Capital REIT published Financial Reports which can be found on the 360 Capital REIT website at 360capital.com.au



## Financial assumptions and control implications

Key assumptions	
<b>Rental income</b>	Rental income has been forecast on existing leases and does not include income from current vacancies. All leases are enforceable and are performed in accordance with their lease the lease terms
<b>Outgoings</b>	Outgoings have been forecast on a property-by-property basis. Expense escalation ranges between 2.9% and 6.0% over the forecast period.
<b>Fund expenses</b>	Fund operating expenses have been based on historical actuals and increased in line with forecast CPI of 3.11% in FY25
<b>BBSW forecast</b>	The forecast BBSW rate payable under the finance facility is forecast to be 4.30% during the forecast period

## Control implication of Entitlement Offer

- The majority securityholder, 360 Capital Group hold 43,156,825 Securities being 29.5% percent of the total Securities on issue. In addition, entities associated with Tony Pitt hold 1,251,888 Securities being 0.9% percent of the total Securities on issue. 360 Capital Group and entities associated with Tony Pitt have indicated that they will take up their respective Entitlement in full.
- The Entitlement Offer is likely to result in their respective percentage ownership increasing as depicted in the table below.

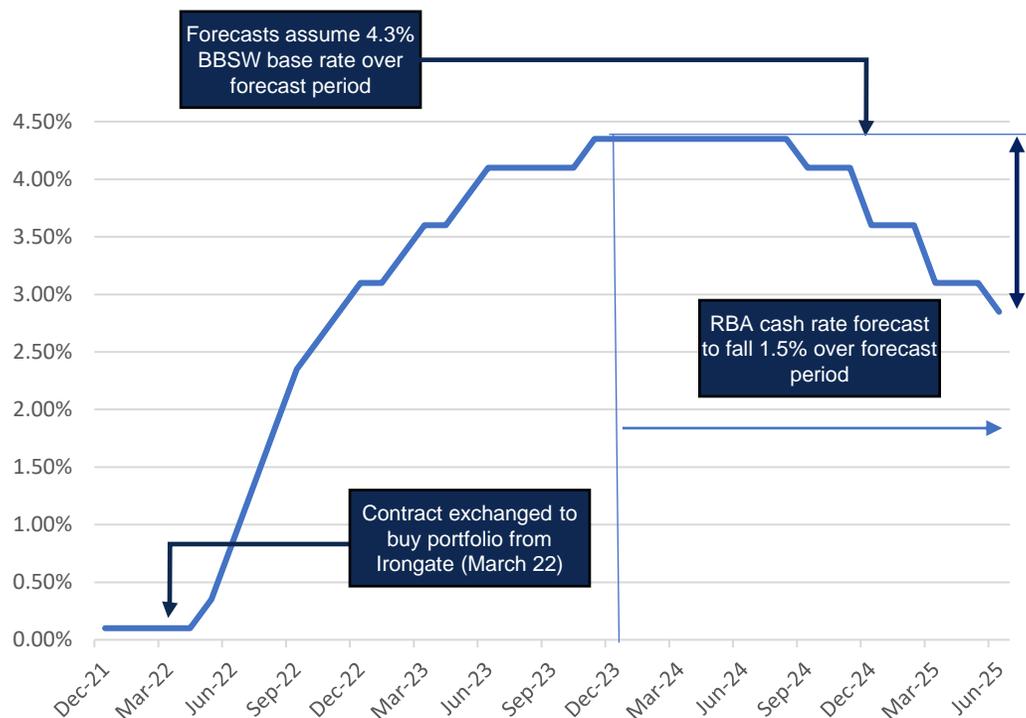
Participation level	Nil outside 360 and its associates	35%	60%	100%
360 Capital Group ownership	42.7%	41.5%	35.9%	29.5%
Tony Pitt associated entities	1.2%	1.2%	1.0%	0.9%
<b>Combined ownership</b>	<b>44.0%</b>	<b>42.7%</b>	<b>36.9%</b>	<b>30.4%</b>



# Capital management

## Interest rate strategy

- Interest rates appear to be at or close to their peak with global interest rates forecast to trend down over the coming 24-months<sup>1</sup>
- TOT is currently 100% floating enabling TOT to benefit from forecast fall in Australian interest rates



1. Based on CBA forecast RBA rates January 2024

## Debt facility summary

### Debt terms

- TOT has entered into the following debt facility:
  - Term: 3-years
  - Facility Limit: \$110.0m – increased facility limit by \$5m since June 2023
  - Expiring: FY26
  - LVR covenant: 50%
  - ICR covenant: 1.5x
  - Facility limit will be reduced post the Entitlement Offer in line with reduced balance and required capex for FY24, FY25

## Borrowings post Entitlement Offer

- As at 31 December 2023, TOT's gearing was 41.6%, above the Fund's target gearing range of 30-40%
- All real estate assets independently valued in past 6 months ensuring up to date valuations. TOT's elevated gearing currently provides limited headroom if capitalisation rates soften in the future
- Post completion of the Entitlement Offer and assuming a 60% participation rate, it is expected that TOT's gearing will be at the bottom of its stated gearing range at 30.1% providing head room if capitalisation rates soften in the future. Average portfolio capitalisation rates would have to increase from 5.33% to >8.5% to breach 50% LVR
- Post completion of the Entitlement Offer and assuming a 60% participation rate, TOT will have a ICR of approximately 2.5x, against a covenant of 1.5x



**Contact details:**

Tony Pitt  
Executive Chairman  
+61 2 8405 8860  
[Tony.Pitt@360capital.com.au](mailto:Tony.Pitt@360capital.com.au)  
[www.360capital.com.au](http://www.360capital.com.au)

**James Storey**  
Chief Executive Officer  
+61 2 8405 8860  
[James.Storey@360capital.com.au](mailto:James.Storey@360capital.com.au)  
[www.360capital.com.au](http://www.360capital.com.au)

Glenn Butterworth  
Chief Financial Officer  
+61 2 8405 8860  
[Glenn.Butterworth@360capital.com.au](mailto:Glenn.Butterworth@360capital.com.au)  
[www.360capital.com.au](http://www.360capital.com.au)

360 Capital **Identifying**  
 strategic investment  
opportunities



Appendix A. key risks



## Key risks

### Property investment risks

- **Property values:** The ongoing value of a Property is influenced by changes in property market conditions including supply, demand, capitalisation rates and rentals. There is no guarantee that a Property will achieve a capital gain on its sale or that the value of the Property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.
- **Property revenue:** Distributions in respect of the Fund are largely dependent upon the rents received in connection with the Properties and tenants paying rent in accordance with their lease terms. There is a risk that tenants may default on the terms of their lease or that the Fund does not provide agreed minimum service standards, either of which could result in a reduction in rental income for the Fund and additional expenses associated with re-leasing the tenancy or enforcement action. Vacancy periods may have an adverse impact on the Fund's net income and distributions, a Property's capital value and potentially the Fund's NTA per Security and trading price per Security. This risk is reduced by tenant quality and diversification.
- **Property liquidity:** If it becomes necessary for the Fund to dispose of one or more of the Fund's property assets (for example, to reduce LVR) there is a risk that the Fund may not be able to realise sufficient Property assets in a timely manner or at an optimal sale price. This may adversely affect the Fund's NTA per Security or trading price per Security.
- **Capital expenditure:** There is a risk that capital expenditure could exceed expectations, resulting in increased funding costs and potentially lower distributions.
- **Natural phenomena (including flooding, terrorist attacks or force majeure events):** There is a risk that natural phenomena may affect a Property. There are certain events for which insurance cover is not available or for which the Fund does not have cover. If the Fund is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction to the Fund's NTA and Securityholder returns. This could also result in an increase in insurance premiums applicable to other areas of cover.
- **Property contamination:** Property income, distributions or property valuations could be adversely affected by discovery of an environmental contamination or incorrect assessment of costs associated with an environmental contamination or with property preservation. This risk may occur irrespective of whether the contamination was caused by the Fund or prior owners.
- **Leasing risk:** It may not be possible to negotiate lease renewals or maintain existing lease terms, which may also adversely impact the Fund's net income and asset values. The ability to lease or re-lease tenancies upon expiry of the current lease, and the rent achievable, will depend on the prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors.
- **Leasing of vacant space:** The Fund has vacancies at 38 Sydney Avenue, Forrest ACT and 510 Church Street, Cremorne VIC. The total lost of gross income on the vacancies within the Fund is approximately \$2.1 million p.a. equivalent to 1.0cps (based on the Base Case take-up of 60%). Leasing of the vacancies and the rent achievable is subject to tenant demand and may be affected by economic, competitive or other factors.



## Key risks

### Fund investment risks

- **Income returns:** Distributions to Securityholders will include a degree of dependency upon the income return received in connection with the investments of the Fund. There is a risk that the contracts associated with investments may fall into default which could result in a reduction in income and additional expenses associated with enforcement action. Defaults may have an adverse impact on the net income and distributions of the Fund, its ability to satisfy its debt facility covenants, an investments capital value and potentially the NTA per Security and the trading price per Security. The earnings of the Fund may be volatile due to the uncertain timing in relation to leasing of the remaining vacancy tenancies with the portfolio and receiving income from (if any) these tenancies and realising of non-core investments.
- **General fundamental exposure:** Underlying risks in investments may include: changes in Australian and international economic conditions, inflation, changes in interest rates, changes in equity market conditions, environmental concerns, regulatory/compliance issues, geopolitical instability or changes in investor sentiment.
- **Refinancing risk and gearing:** The ability of the Fund to raise funds, including both debt and equity, on favourable terms (including fees and the interest rate margin payable) for future refinancing, capital expenditure, or acquisitions depends on a number of factors including general economic conditions, political, capital and credit market conditions and the reputation, performance and financial strength of the Fund. Any change in these factors could increase the cost of funding, or reduce the availability of funding, as well as increase the refinancing risk of the Fund for maturing debt facilities. The ability of the Fund to refinance its debt facilities as they fall due will depend upon market conditions, the performance of the assets of the Fund and the financial position of the tenants of property of the Fund. If the debt facilities are not refinanced, or need to be repaid, it is possible that the Fund will need to realise assets for less than their fair value, which would impact the NTA per Security. The Fund is a geared investment product. The level of the Fund's LVR will magnify the effect of any movements in the value of the property portfolio.
- **Due diligence:** Some investments may be made based on limited due diligence conducted only in respect of publicly available information. This may increase the risk of individual investments and could lead to material adverse effects on the performance of the Fund.
- **Trading price of TOT:** The market price of the Security will fluctuate due to numerous factors including general movements in interest rates, the Australian and international general investment markets, economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect the financial performance and position of the Fund. The price of the Securities may also fluctuate due to changes in the market rating of the Securities relative to other listed and unlisted property investments, other investment options such as debentures or interest bearing deposits and investor sentiment towards the Fund. There can be no guarantee that liquidity will be maintained, and the number of potential buyers or sellers of the Securities on the ASX at any given time may vary. This may increase the volatility of the market price of the Securities and therefore affect the market price at which holders are able to buy or sell Securities. Securityholders who wish to sell their Securities may be unable to do so at a price acceptable to them. The market price of the Securities could trade on the ASX at a discount to NTA per Security.



## Key risks (cont'd)

### Fund investment risks

- **Ranking:** If the Fund is wound-up, Securityholders will rank behind secured and unsecured creditors of the Fund. If there is a shortfall of funds on winding-up, there is a risk that Securityholders will receive less than the NTA per Security.
- **Responsible Entity risk:** By investing in the Fund, investment decisions are delegated to the Responsible Entity. The performance of the Fund is affected by the performance of the Responsible Entity and that of the external service providers engaged by the Responsible Entity and is therefore not assured.
- **Conflict of interest risk:** The Responsible Entity is a member of the 360 Capital Group. The Directors of the 360 Capital Group are the same as the Directors of the Responsible Entity. This creates the potential for a conflict of interest in assessing and procuring investment opportunities. 360 Capital will follow formal procedures to ensure that an investment opportunity sourced by 360 Capital is offered to the most appropriate 360 Capital entity based on the relevant entity's investment mandate.
- **Dilution:** Future capital raisings and equity-funded acquisitions made by the Fund may dilute the holdings of Securityholders. In the normal course of managing the Fund, the Responsible Entity is seeking to increase distribution income to Securityholders and provide the potential for capital growth. In order to provide this growth, capital raisings may be undertaken to acquire property investments. In certain circumstances, a capital raising may need to be undertaken to reduce debt in order for the Fund to remain compliant with its debt covenants.
- **Distributions may vary:** The ability of the Fund to pay distributions is dependent upon it having sufficient cash resources and distributable income. Whilst the level of income derived from direct property investments from year to year is expected to be relatively certain, default in payment of rent by any of the lessees of the properties, variances in the costs of operating the Fund, or variances in returns from other investments held or made by the Fund, may affect the level of income available for distribution as well as the timing of distributions.
- **Future Interest rates:** There is a risk that a debt facility or an interest rate hedge (i.e. fixing the interest rate) may not be available on the same terms upon extension or refinancing, or when new finance or hedging strategies are sought. These risks may have a material, adverse impact on the Fund's activities, financial position and distributions in the future.
- **Breach of debt covenants:** As at the date of this presentation, the Fund is in compliance with all covenants under its debt facilities. The Fund's debt covenants have income and asset value tests and falling asset values, declining rental income or other unforeseen circumstances may cause covenants under the Fund's debt facilities to be breached. A breach of a debt facility covenant may result in a debt financier enforcing its security over the relevant assets. The financier may require repayment of the facility, possibly prior to its expected expiry. This could result in an early sale of a Property at a less than optimal sale price, for instance, in a depressed market; additional equity being required; or distributions being reduced or suspended to repay the borrowings.



## Key risks (cont'd)

### General investment risks

- **Economy and market conditions:** There is the risk that changes in economic and market conditions may affect asset returns and values and may decrease the Security price. The overall performance of Securities may be affected by changing economic or property market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.
- **Insurance:** Any losses incurred due to uninsured risks may adversely affect the Fund's performance. Increases in insurance premiums may also affect the performance of the Fund. Insurance premium increases could occur if the Fund claims under any insurance policy for significant losses in respect of a Property. Any failure by the company or companies providing insurance (or reinsurance) may adversely affect the Fund's ability to make claims under its insurance. All insurance policies have a minimum excess.
- **Litigation:** In the ordinary course of operations, the Fund or the Responsible Entity may be involved in disputes and possible litigation. These include tenancy disputes, environmental and occupational health and safety claims, industrial disputes, native title claims, and any legal claims or third party losses. It is possible that a material or costly dispute or litigation could affect the value of the assets or expected income of the Fund.
- **Legal and regulatory matters:** There is the risk that changes in any law, regulation or Government policy affecting the Fund's operations (which may or may not have a retrospective effect) will have an effect on the Property portfolio and/or the Fund's performance. This may include changes to taxation regimes.
- **Taxation treatment of Securities may change:** Investors should be aware that changes in Australian taxation law (including changes in interpretation or application of the law by the courts or taxation authorities in Australia) may materially affect the taxation treatment of an investment in Securities, the holding or disposal of Securities or the treatment of distributions and the financial performance, financial position, cash flows, distributions, growth prospects and the quoted price of Securities.
- **Debt Facility:** The Fund's current Debt Facility expires on July 2025. There is a risk that a replacement debt facility may not be available on the same terms upon extension or refinancing or when new finance is sought. These risks may have a material, adverse impact on the Fund's activities, financial position and distributions in the future.
- **Forward looking statements:** There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Responsible Entity.



Appendix B. glossary



# Glossary

Term	Definition
360 Capital Group	means TGP and each of its subsidiaries
360 Capital Passive REIT	means 360 Capital Passive REIT (ARSN 602 304 432)
360 Capital Active REIT	means 360 Capital Active REIT (ARSN 602 303 613)
ASX	means ASX Limited ACN 008 624 691 or the market that it operates (as the context requires)
Corporations Act	means the Corporations Act 2001 (Cth)
DPS	means distributions per Security
Eligible Securityholder	means a a Securityholder registered as holder of Securities as at the Record Date, being 7.00pm (AEDT) on 19 February 2024 who has a registered address of the Securities register in Australia or New Zealand and who is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent a Securityholder holds Securities for the account or benefit of such person in the United States, the Securityholder will not be eligible to participate on behalf of such person), and who is eligible under all applicable securities law to receive an offer under the Entitlement Offer."
Entitlement Offer	means the 0.8 for 1 non-renounceable entitlement offer in TOT to raise up to \$46.8m as described in this presentation
EPS	means earnings per Security
Existing Securityholder	means a Securityholder of the Fund as at the date of this presentation
Fund	means the stapled entity comprising 360 Capital Passive REIT and 360 Capital Active REIT (ASX: TOT)
LVR	means loan to value ratio
New Securities	means the Securities which will be issued pursuant to the Offer
NTA	means net tangible assets.



## Glossary

Term	Definition
Offer	means the capital raising in TOT of an amount of up to \$46.8m as described in this presentation, comprising the Entitlement Offer
Offer Price	means the price of \$0.40 per Security offered under the Entitlement Offer
Property	means a property within the portfolio of TOT
Record Date	means 7:00pm AEDT on Monday, 19 <sup>th</sup> February 2024
Responsible Entity means	360 Capital FM Limited (ACN 090 644 396) (AFSL 221474)
Security	means a security in TOT
Securityholders	means the holder of a Security
TGP	means the stapled entity comprising 360 Capital Group Limited (ACN 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) (ASX: TGP)
TOT	means the stapled entity comprising 360 Capital Passive REIT and 360 Capital Active REIT (ASX: TOT)
VWAP	means volume weighted average price