



ASX Release

29 January 2024

360 Capital Mortgage REIT (ASX:TCF)

Financial Half Year 2024 Results

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360 Capital FM Limited as responsible entity of the 360 Capital Mortgage REIT (TCF), formerly 360 Capital Enhanced Income Fund, is pleased to announce its financial results for the half-year ended 31 December 2023.

HY24 Key Highlights

- TCF's classification under the Global Industry Classification Standard (GICS) was updated by S&P Global to a Mortgage Real Estate Investment Trust (REIT);
- Total of \$26.5 million was lent in HY24, with all loans being registered first mortgages;
- Loan portfolio's weighted average Loan to Value Ratio (LVR) of 52.0% as at 31 December 2023
- Forecast FY24 distributions increased to 42.0 cents per unit ('cpu') up 7.7% on FY23; and
- Commenced diversification of TCF's loan book through partial loan sell-down of loans to third party investors.

HY24 Key Financial Highlights

- Net profit of \$1.0 million up 29.4% on HY23;
- Earnings per unit of 24.4 cpu, up 29.1% on HY23;
- Total distributions of \$0.9 million up 16.7% on HY23;
- Total distributions per unit of 21.0 cents, up 16.7% on HY23; and
- Net Tangible Assets (NTA) per unit increased by 3.0 cpu to \$5.97 from 30 June 2023.

During HY24, TCF paid total distributions of 21.0 cpu up from 18.0 cpu from the prior comparative period. All 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. 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 from a diverse portfolio of real estate backed loans. 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, mitigating risks to TCF's NTA.

Loan Portfolio

During HY24, TCF lent \$26.5 million to borrowers and was repaid \$20.5 million. As at 31 December 2023 TCF had a portfolio of 3 loan investments totalling \$16.4 million.

In June 2023, the Fund settled a \$10.4 million first mortgage residual stock loan. The loan was secured against 30 strata titled completed units situated in Western Sydney. The loan interest rate was subject to a margin of 5.0% + BBSW and an interest rate floor of 9.0%. During the period a total of \$10.2 million was repaid through proceeds from apartment sales. The outstanding loan amount as at 31 December 2023 was \$0.2 million, and was fully repaid on 12 January 2024.



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In July 2023, the Fund settled a \$10.7 million residual stock loan secured against 12 brand new, completed freestanding houses, initially drawn to a 70.0% LVR reducing to 65.0% through sales. The loan amount was increased by \$7.5 million to \$18.2 million with the addition of a further 9 completed freestanding houses as security. The loan is subject to a margin of 6.5% + BBSW and an interest rate floor of 10.0%. During the period \$3.7 million of repayments were redrawn with substitute security provided by the borrower. The loan is serviced, with interest paid monthly in advance and will be repaid through the proceeds from sales over the 12-month term. The outstanding loan amount as at 31 December 2023 was \$11.6 million with a LVR of 57.2%.

In December 2023, the Fund settled a \$4.6 million first mortgage loan facility. The loan is secured against a recently completed petrol station with a 12-year lease and is drawn to a 70.0% LVR. The loan is subject to a margin of 5.25% + BBSW and an interest rate floor of 9.25%. The loan is serviced, with interest paid monthly in advance for a term of 12 months, minimum 6 months interest and will be repaid through the proceeds from the asset sale or refinance.

Upon the Fund being fully invested, it will continue to diversify its loan portfolio through a partial sell-down of its various loan interests to third parties, allowing it to continue to invest in further loans and increase diversification.

Distribution Guidance

TCF is forecasting to maintain monthly distributions of 3.5 cpa equating to 42.0 cpa for FY24, an increase of 7.7% on FY23 distributions, reflecting an 8.2% distribution yield on the trading price¹.

The Fund has \$10.3 million of cash as at 31 December 2023. The FY24 distribution forecast is subject to deployment of this capital. The responsible entity will maintain a disciplined approach to the deployment of this capital and is currently assessing a number of loan opportunities to invest this capital.

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.

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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 Based on ASX trading price of \$5.15 per unit as at 29 December 2023.