



ASX Release

31 January 2022

REAL ASSETS
PRIVATE EQUITY
CREDIT

Earnings Upgrade

Proposed Irongate Group and PMG Funds Transactions

Page 1 of 4

360 Capital FM Limited as Responsible Entity for 360 Capital REIT (ASX:TOT) (**360REIT**) is pleased to announce the following transactions, provide HY22 unaudited earnings and Net Tangible Asset Value per security and assuming the transactions proceed, a major upgrade to 360REIT's FY22 earnings forecasts:

Irongate Group Transaction

The Group, 360 Capital FM Limited as Responsible Entity of 360 Capital REIT (ASX:TOT) (**360REIT**) (**Collectively 360 Capital**) and Charter Hall Group (ASX: CHC) (**Charter Hall**) have entered into a Memorandum of Understanding (MOU) under which Charter Hall has submitted an indicative and non-binding proposal ("Indicative Proposal") to acquire all of the stapled securities in Irongate Group (ASX:IAP) (**Irongate**) including 360 Capital's 19.9% stake, by way of an agreed trust scheme, and sell to 360 Capital certain assets.

The IAP Board have stated they are considering the Indicative Proposal. Details of the MOU and Indicative Proposal are as follows:

- Charter Hall to acquire all Irongate stapled securities for an all-cash consideration of \$1.90 per IAP stapled security (**Scheme Consideration**) including Group's 48.44 million stapled securities and 360REIT's 86.98 million stapled securities;
- IAP securityholders to be entitled to the March 2022 distribution (estimated to be 4.6 cents per stapled security);
- 360REIT to purchase a portfolio of 3 modern office buildings in IAP totalling approximately \$254.0 million;
- Group (or its nominee) to acquire a 50% share in 100 Willis Street, Wellington NZ for \$82.0 million and enter into a call option agreement to purchase the remaining 50% interest from Charter Hall at a future date;
 - Group and Charter Hall to enter into a co-owners agreement and will jointly appoint PMG Funds in NZ as the property manager for 100 Willis Street, Wellington NZ;
- Group to acquire the Irongate funds management business for \$5.0 million and all of the co-investment stakes in the managed funds for an estimated price of \$22.5 million;



ASX Release

31 January 2022

Page 2 of 4

- 360 Capital has granted Charter Hall a call option over 360REIT and Group's 19.9% stake in Irongate on the same price as the Indicative Proposal, subject to Charter Hall proceeding with the Indicative Proposal as set out above;
- 360 Capital and Charter Hall will each pay the balance of their own costs associated with their respective acquisitions;
- 360 Capital will pay for 20% of the Irongate lease tail and staff redundancy costs; and
- 360 Capital has granted Charter Hall matching rights, standstill and no shop provisions and exclusivity.

Group and 360REIT have sufficient financial resources to complete the Irongate Group Transaction with Charter Hall and do not require undertaking any capital raisings, with funding to come from existing cash resources, Scheme Consideration and a small debt facility for 360REIT.

Group and 360REIT have been advised by Citigroup Global Markets Australia Pty Limited as financial adviser and Clayton Utz as legal adviser.

Assuming the Irongate Board recommends the Charter Hall Indicative Proposal to Irongate securityholders, 360 Capital looks forward to working with Charter Hall and Irongate's Board and management team to conclude the transaction prior to 30 June 2022.

PMG Funds Transaction

In line with 360REITs stated strategy of owing a diversified portfolio of well leased assets and TOT becoming a more traditional A-REIT, the Group and TOT have agreed a transaction on TOT's 50% interest of PMG Funds.

Under the agreement, Group will buy from TOT its 50% interest in PMG Funds for NZ\$21.875 million plus 50% of PMG Funds NTA, delivering TOT approximately 32.5% pre-tax Internal Rate of Return (IRR) over the 13-month investment.

The agreement is subject to a number of conditions, including due diligence, documentation, an independent expert opining that the offer is "Fair and Reasonable and in the best interest of TOT securityholders, (excluding TGP and its associates) and TOT securityholder approval (excluding TGP and its associates).

If TOT and TGP securityholders approve the PMG Funds transaction at their respective securityholder meetings (scheduled for late March 2022), it is expected that the transaction will settle shortly thereafter providing TOT with approximately NZ\$21.875 million of capital to reinvest in the portfolio of assets to be acquired as part of the proposed IAP Indicative Proposal.



ASX Release

31 January 2022

Page 3 of 4

360 Capital REIT Unaudited Earnings NTA and FY22 Earnings Upgrade

360REIT has previously forecast its FY22 operating earnings to be 6.0cps and to pay a distribution of 6.0 cps.

360REIT is pleased to announce TOT's preliminary unaudited financial results being as follows:

6 months to 31 December 2021:		Comments:
Operating Earnings (post tax):	2.6 cps	(up from 1.1 cps in pcp)
Statutory Earnings (post tax):	15.1 cps	(up from 3.2 cps in pcp)
Dividend (cps)	3.0 cps	(fully franked dividend)
NTA per Security	\$1.26	(up from \$1.14 as at 30 June 2021)

The above preliminary financial results are based on the IAP closing price of \$1.73 per security as at 31 December 2021 and are subject to final audit review.

Based on the results achieved in the 6 months to 31 December 2021 and subject to the above Irongate and PMG Funds transactions proceeding, 360REIT is pleased to announce the following upgraded financial forecasts for FY22:

Upgraded FY22 Forecasts:		Comments:
Operating Earnings (post tax):	26.5 cps	(up from 6.2 cps in pcp)
Distribution (cps)	6.0 cps	(partly franked distribution)

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ASX Release

31 January 2022

Page 4 of 4

360REIT is proposing to announce its results for the 6 months to 31 December 2021 on 24 February 2022.

For further information in relation to the proposal please contact either

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Authorised for release by Glenn Butterworth, Company Secretary 360 Capital Group.

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

About 360 Capital REIT (ASX: TOT)

The Fund has a demonstrated track record of consistent quarterly distributions, through a selective and disciplined investment philosophy, combined with access to real estate investment opportunities available to TOT through the 360 Capital Group, the manager of the Fund.

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.
