



ASX Release

19 February 2026

360 Capital REIT (ASX:TOT)

Financial Half-Year 2026 Results

Increased tenancy occupancy and new investments driving EPS growth

360 Capital FM Limited as Responsible Entity for the 360 Capital REIT ("TOT" or the "Fund") is pleased to announce its financial results and operational update for the 6 months ended 31 December 2025.

HY26 Key Operational Highlights

- 6.7% upgrade to forecast FY26 earnings per security on back of a new \$10.0 million structured preference equity investment
- Tenant occupancy increased to 96.7%¹ post period, with commencement of a Commonwealth of Australia lease at 38 Sydney Avenue, Forrest ACT in August 2025 and post period executed two non-binding Heads of Agreements ("HOA") at 510 Church Street, Cremorne, VIC reducing the portfolio vacancy to 3.3%
- New strategy to diversify TOT's existing modern property portfolio through allocating up to 25% of its balance sheet capital to preference equity investments
- Continue to provide TOT securityholder's tax benefits with FY26 distributions forecast to be 100% tax deferred
- New marketing campaign for TOT to be launched to increase awareness of TOT's benefits to existing and new investors
- Increased TOT's debt facility by \$10.0 million to fund a structured preference equity investment

HY26 Key Financial Highlights

- Statutory net profit of \$3.1 million up 63.2% on \$1.9 million pcp
- Operating profit of \$3.1 million up 19.9% on \$2.6 million pcp
- Statutory earnings per security ("EPS") of 1.4cps up 55.6% on 0.9cps pcp
- Operating EPS of 1.4cps up 16.7% on 1.2cps pcp
- 100% tax deferred distribution of 1.5cps in line with guidance

Direct property portfolio

TOT's direct property portfolio comprises three modern assets, located in Melbourne, Canberra and Brisbane with a Weighted Average Lease Expiry ("WALE") of 6.3 years¹, average age of 5.2 years², and is 96.7%¹ occupied with part Level 2 at 510 Church Street, Cremorne, VIC the only vacancy remaining in the portfolio.

The property portfolio has an average of 4.8 Star NABERS rated with strong tenant covenants and comprises:

¹ Weighted by gross income including car parking and non-binding HOA's executed post-period for part-Level 2 and part-level 6 at 510 Church Street, Cremorne VIC and excluding outstanding incentives.

² Average age from the date of major refurbishment of 38 Sydney Avenue, Forrest ACT and completion date for remaining portfolio. Weighted by value.



- 510 Church Street, Cremorne, VIC was completed in 2021 and is an office/healthcare facility, valued at \$101.8 million (50% interest) comprising 19,719sqm of lettable area and 145 car parks;
- 38 Sydney Avenue, Forrest, ACT refurbished in 2018, is an A-grade office building, valued at \$68.6 million comprising 8,702sqm lettable area and 82 car parks; and
- 34 Southgate Avenue, Cannon Hill, QLD completed in September 2022, comprising a 3,585sqm high-tech industrial facility, 155 car parks, valued at \$32.0 million, occupied by Michael Hill International as its global headquarters.

The Fund's assets are well diversified, comprising 42.2% office/healthcare, 28.4% office, 13.3% high-tech industrial assets and 16.1% residential assets across the eastern states¹.

Leasing

In August 2025, Commonwealth of Australia on behalf of Australian Centre for International Agricultural Research (ACIAR) took occupation of the remaining vacancy at 38 Sydney Avenue, Forrest, ACT on a 12 year lease after the Fund completed the fitout of its new tenancy.

Dentsu, a tenant at 510 Church Street, Cremorne VIC, exercised a break right in their lease to hand back 1,039sqm comprising part of level 6, effective from 1 August 2026. Under the lease, Dentsu is liable for certain payments as a result of the lease break and will remain in occupation over the balance of their space in the building. Post period, the Fund entered into a non-binding HOA for this tenancy for 5 years from 1 June 2026.

Post period, the Fund also entered into a non-binding HOA to lease 1,250sqm which is 48.4% of level 2 at 510 Church Street, Cremorne, VIC for 5 years commencing from October 2026. The balance of level 2 which is 1,332sqm is the only remaining vacancy within the portfolio.

Preference equity strategy

As a diversified REIT and given its unique position of being able to invest in active investment opportunities to enhance its stable passive investment portfolio returns, TOT will allocate up to 25% of its balance sheet to preference equity investments, taking advantage of TOT's modern direct property portfolio and stable balance sheet to enhance earnings per security growth over and above TOT's natural annual fixed rental increases.

The preference equity strategy will be funded from reactivating the DRP, recycling of existing preference equity investments, blended with borrowings with a prudent level of borrowing's given the Fund's stable investment portfolio.

In December 2025, TOT made a \$10.0 million structured preference equity investment in partnership with 360 Capital Private Equity Fund 1 ("PEF1"), an unlisted wholesale equity fund, to acquire an entire block of brand new one, two and three bedroom apartments, located approximately 6 kilometres from the Sydney CBD which PEF1 acquired for \$49.9 million.

The investment strategy is to sell down individual apartments over the next 2 years to maximise investors returns, with proceeds from the sales used initially to repay bank debt and TOT's structured preference equity investment.

The \$10.0 million structured preference equity investment attracts a return of 16.0% p.a. for TOT in preference to the ordinary equity holders of PEF1 and a potential profit share to further enhance TOT's returns if certain return hurdles are exceeded.

¹ Weighted by value, including value of the structured preference equity investment.



On the back of this structured preference equity transaction, TOT announced an increase in its forecast FY26 earnings per security which excludes any potential for further return enhancements through its profit share or early payments from Dentsu lease surrender.

Capital management

During the period, the Fund increased its finance facility limit from \$80.0 million to \$90.0 million to finance the \$10.0 million structured preference equity investment in December 2025. The Fund also drew on the facility to fund the tenancy fitout at 38 Sydney Avenue, Forrest ACT.

The Fund's debt facility was drawn to \$83.7 million as at 31 December 2025, and TOT's gearing (net of cash) was 39.0%. The Fund remains well within compliance with all debt covenants with its LVR covenant of 55% at 41.6%¹ and its ICR covenant of 1.5 times at 3.2 times¹ as at 31 December 2025.

As a result of TOT's gearing and to enable the Fund to continue to make further preference equity investments, the Fund will turn on its DRP from and including the March 2026 quarterly distribution.

The Fund is also expected to receive its \$10.0 million structured preference equity investment back over the next 2 years as TOT will receive 100% of the net proceeds, after debt amortisation, from each apartment sale, with this capital used initially to reduce TOT's debt and subsequently reinvested into further preference equity investments.

Focus on FY26 and TOT Growth Prospects

The balance of level 2 at 510 Church Street, Cremorne VIC is the only remaining vacancy within the portfolio and is the main focus for management with improvement in leasing enquiry as sub-lease space in Melbourne CBD becomes absorbed, as evidenced by the Fund's recently signed non-binding HOA's.

The Fund will continue to look for preference equity investment opportunities in the 15-20% p.a. return range to continue to grow earnings.

On 31 December 2025, TOT closed at \$0.4025 per security on the ASX, representing a 30.6% discount to its NTA. With the expectation that valuations have now stabilised, continued earnings per security growth and increased confidence in the commercial real estate market, it is expected that this trading gap will decrease in the near term.

The Fund will commence a new marketing campaign post the HY26 results highlighting to existing and prospective investors the benefits of investing in TOT, including its unique position of being 100% tax deferred and a significant franking credit balance providing securityholders an attractive after-tax investment.

Tony Pitt, Executive Chairman of 360 Capital Group said, "With the manager of the Fund, 360 Capital Group scheduled privatisation to be completed on 2 March 2026, I will not be retiring but continuing my Executive role alongside the 360 Capital team, focusing on growing TOT's earnings per security and closing the trading discount through greater marketing the unique tax benefits and position of TOT within the REIT sector."

¹ Covenants calculated in accordance with the Fund's finance facility.



FY26 Forecast Distributions and Earnings

The Fund has upgraded its FY26 earnings per security forecasts post the structured preference equity transaction from 3.0cps to 3.2cps, an increase of 33.3% above FY25 earnings. FY26 earnings assumes no further leasing up during the year at 510 Church Street, Cremorne VIC, which if achieved will increase earnings further and does not include any early payments from Dentsu lease surrender.

The FY26 distribution remains unchanged at a forecast of 3.0cps, paid in equal quarterly instalments, in line with FY25. Unlike FY25 where distributions were fully franked, the Fund has decided to utilise the depreciation allowances from its modern property portfolio which has allowed the Fund to forecast distributions to be 100% tax deferred for FY26.

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The Fund still retains a significant franking account balance which will continue to be available to provide franked distributions in the future.

Authorised for release by the Board of 360 Capital FM Limited.

More information on TOT can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TOT", on 360 Capital'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 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.