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360 Capital Digital Infrastructure Fund (ASX: TDI)

27 February 2020

2020 Half Year Results Presentation

Capitalising on the Digital Economy

Page 1 of 3

360 Capital Digital Management Pty Limited, the Investment Manager of 360 Capital Digital Infrastructure Fund (Fund), and 360 Capital FM Limited as Responsible Entity of the Fund are pleased to announce the half year results for the period ended 31 December 2019.

Since the listing of the Fund in October 2019, management has been focused on rolling out the strategy of the Fund as set out in the PDS. This focus has continued post period and the Fund continues to see a good pipeline of opportunities in its target market. The highlights of the Fund's activities to date include:

- Fund listed on ASX on 31 October 2019 with >2000 investors
- Raised \$115 million from the IPO and pre IPO
- Recognised a \$4.5 million gain on \$10.6 million convertible note investment – minimum IRR on investment of 58.4%
- Fund launched FibreconX and TDI has committed \$35 million in dark fibre rollout
- Guam data centre construction due to complete June 2020 and has signed 25 year contract with a large multinational tenant
- Forecast to commence distributions of 4.5 cpu per quarter for balance of FY20
- Proposed stapling to allow TDI to take majority positions in operating assets
- Proposed buyback as TDI currently trading at \$0.325 cpu (16.6%) discount to NTA

Fund key financial results highlights for the period ended 31 December 2019

- Statutory net profit of \$2.7 million including the gain on the convertible note investment
- Operating profit of \$0.4 million reflecting the assets were progressively acquired throughout the period and the high cash balances
- Statutory earnings per security (EPU) of 8.6 cpu
- Operating EPU of 1.2 cpu
- The Fund did not declare any distributions for the period
- NTA increased from \$1.90 per unit at IPO to \$1.96 as at 31 December 2019
- Strong balance sheet with \$54.4 million in cash as at 31 December 2019, prior to \$35 million capital commitment to FibreconX
- Share price \$1.71 per Unit as at 31 December 2019 represents a discount of 12.8% to the NTA



ASX Release

Page 2 of 3

Investment update

FibreconX

In December 2019, TDI announced that it had formed a digital infrastructure business called FibreconX Pty Ltd (FibreconX) that will build and operate telecommunications infrastructure including new and innovative dark fibre networks.

The business is led by Mark Rafferty, former Group Executive at TPG supported by several senior telco executives with more than 40 years of industry experience. FibreconX initial markets will be in Asia Pacific targeting facilities with large data concentrations such as data centres.

In January 2020, FibreconX was granted an Australian telecommunications carrier license, an important step in allowing FibreconX to start its rollout program in Australia with other markets in early discussions.

The Fund will own a significant majority of FibreconX and has made an initial commitment of \$35 million to the exciting opportunity.

Guam Data Centre

The Fund invested \$7.8 million for an 18.7% interest in Gateway Network Connections which is building a data centre in Guam. Stage one which is 59 racks or c0.8MW is expected to go live June 2020 and the centre can be easily expanded to 217 racks or 1.8MW. 36 of the 59 racks have been committed by a large US multinational on a 25 year contract and contracts are progressing for several subsea cable tenants for similar durations.

The Fund gets an 8% p.a. preference return on its investment for the first 2 years.

Convertible Note

The Fund invested \$10.6 million (SGD \$10.0 million) into an Asian hyperscale data centre operator in September 2019. The note attracted a 10% p.a. return for a period of 2 years as well as certain conversion rights.

In November 2019, the hyperscale operator requested the opportunity to cancel the note early. The Fund negotiated a deed to redeem the note early on the payment of original capital plus an early redemption premium of \$4.5m. If by 30 June 2020 this right has not been exercised, the Fund can exercise its right to cancel the note. This will produce a minimum IRR of 58.4% on the Fund's capital.



ASX Release

Page 3 of 3

Perth Data Centre

The Fund's Perth data centre investment continues to perform as per the lease.

Forecast Distributions

The Fund has forecast its distribution guidance of 4.5 cpu for the March 2020 quarter and a further 4.5 cpu for the June 2020 quarter, including a 7.8 cpu special distribution funded from the convertible redemption premium.

Summary of other points

The Fund has recently made announcements on the ASX regarding a proposed unit buy back due to the current share trading price discount to NTA, together with an announcement of a proposed stapling to better facilitate our strategy which may include taking majority position in operators of digital assets.

Authorised for release by Tony Pitt, Managing Director 360 Capital FM Limited.

More information on TDI can be found on the ASX's website at www.asx.com.au using the Group's ASX code "TDI", 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 Digital Infrastructure Fund (ASX: TDI)

360 Capital Digital Infrastructure Fund aims to take advantage of the unique once in lifetime investment cycle by investing in technology infrastructure assets projects, targeting an internal rate of return of 10% per annum. The Fund is managed by 360 Capital Digital Management Pty Limited which is a joint venture between 360 Capital Group (ASX: TGP) and Mr David Yuile, Managing Director of the Investment Manager.

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, public and private equity and credit strategies. We partner with our stakeholders to identify, invest and realise on opportunities.
