

SENS ANNOUNCEMENT

18 October 2021

Irongate Group (JSE: IAP)

Comprising Irongate Property Fund I (IPF I, ARSN 162 067 736) and Irongate Property Fund II (IPF II, ARSN 644 081 309), established in Australia and registered with ASIC as managed investment schemes
Operated by Irongate Funds Management Limited (ACN 071 514 246; AFSL 290 909) (**Responsible Entity**)
IPF I is registered as a foreign collective investment scheme in terms of the Collective Investment Schemes Control Act No.45 of 2002
ISIN: AU0000046005
(IAP or the Fund)

Irongate Group receives unsolicited, highly conditional, indicative and non-binding proposal from 360 Capital Group¹

Irongate Group (IAP) announces that post close of ASX market trading on Friday, 15 October 2021, it received an unsolicited, highly conditional and indicative non-binding proposal from 360 Capital Group (ASX: TGP) and 360 Capital REIT (ASX: TOT) (together with their associated entities) (together, **360 Capital**) to acquire, by way of an agreed trust scheme, all of the stapled securities in IAP which 360 Capital does not already own for A\$1.6047 cash per IAP stapled security² (being a headline price of A\$1.65 less the anticipated distribution of A\$0.0453 per IAP stapled security for the half year ended 30 September 2021³) (**Indicative Proposal**).

The Indicative Proposal is also conditional on one or more of ESR Real Estate (Australia) Pty Ltd or its affiliate's managed funds (together, **ESR Australia**) entering into an agreement with 360 Capital to purchase an undisclosed number of selected assets from IAP's portfolio on terms yet to be agreed.

The IAP Board is considering the Indicative Proposal with the assistance of its advisers. IAP securityholders should not take any action at this time.

The IAP Board notes the release of IAP's half year results and declaration of IAP's distribution for half year ended 30 September 2021 scheduled for 27 October 2021. In the ordinary course of its activities preparing for half year results, the regular asset valuation process is well advanced and in the final stages of adoption by the IAP Board. With updated asset valuations, any increases in IAP's stated net tangible assets and net asset value⁴ backing per IAP stapled security will be released on or prior to announcement of the Half Year Results.

The IAP Board also notes the Indicative Proposal is highly conditional and uncertain. 360 Capital internal funding resources have not been identified and are subject to approval, and additional conditional uncommitted third party financing include:

- ESR Australia – a requirement for 360 Capital to reach agreement with ESR Australia to buy undisclosed selected assets in IAP's portfolio on terms to be agreed. 360 Capital has advised it is in discussions with ESR Australia but has not yet reached any agreement, arrangement or understanding with them; and
- Citibank, N.A., Sydney Branch (**Citi**) – a requirement for the entry into new debt facilities for which 360 Capital has obtained a highly conditional non-binding letter of support from Citi for arranging and underwriting debt (subject to, amongst other things, due diligence, valuations, agreement on pricing, terms and conditions and documentation).

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The Indicative Proposal also contains other conditions including:

- Completion of due diligence to the satisfaction of 360 Capital (request for 6-week exclusive due diligence period);
- Final approval of the 360 Capital boards prior to execution of an agreed scheme implementation Agreement (**SIA**);
- Execution of an SIA on customary terms and conditions including with respect to providing exclusivity and deal protection (including a break fee, no talk, no shop, matching rights and notification provisions);
- JSE and other regulatory approvals;
- FIRB approval; and
- The unanimous recommendation of the IAP Board.

IAP is a valuable internalised real estate platform and going concern that owns a unique portfolio of Australian real estate assets and a profitable and growing third party funds management business. The IAP Board in all circumstances will seek to ensure that any control transaction involving IAP will achieve fair and full value inclusive of an adequate control premium for IAP securityholders.

IAP securityholders do not need to take any action in relation to the Indicative Proposal and are advised to exercise caution when dealing in their IAP stapled securities. The IAP Board advises there is no certainty that the Indicative Proposal will progress towards a transaction.

IAP has appointed Macquarie Capital (Australia) Limited as its financial adviser, King & Wood Mallesons as its Australian legal adviser and Cliffe Dekker Hofmeyr as its South African legal adviser.

Johannesburg

Sponsor
Investec Bank Limited

¹ This announcement constitutes a cautionary announcement under paragraph 11.40 of the JSE Listings Requirements.

² A\$1.6047 per IAP stapled security represents an implied price per IAP stapled security in South African Rand of R17.39, based on the South African Rand to Australian Dollar ratio of 0.0923 as at 15 October 2021.

³ The headline price of A\$1.65 per IAP stapled security pursuant to the Indicative Proposal is to be reduced by any distribution or capital return declared or paid by IAP from the date of the Indicative Proposal. The anticipated distribution of A\$0.0453 per IAP stapled security for the half year ended 30 September 2021 is subject to IAP Board determination and scheduled to be declared 27 October 2021. This distribution amount is pre withholding tax applicable to non-Australian securityholders holding IAP stapled securities on IAP's South African and Australian sub registers.

⁴ Net asset value includes the intangible balance sheet amount for IAP's funds management activities.