

ASX ANNOUNCEMENT

15 December 2021

Irongate Group (ASX: IAP)

Irongate Group receives revised indicative proposal from 360 Capital

Irongate Group (IAP) has received the attached revised non-binding indicative proposal from 360 Capital Group and 360 Capital REIT (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\$1.72 cash per stapled security (**Revised Indicative Proposal**).

The Revised Indicative Proposal reflects an increase of 7.2% from the original indicative proposal (**Indicative Proposal**) of 15 October 2021. There are no other changes to its terms including the conditionality of both the offer and its funding.

The IAP Board is considering the Revised Indicative Proposal with the assistance of its advisers. IAP securityholders do not need to take any action in relation to the Revised Indicative Proposal and are advised to exercise caution when dealing in their IAP stapled securities.

The IAP Board is committed to maximising securityholder value and will appropriately consider a proposal that is consistent with this objective.

This announcement has been authorised for release by the IAP Board.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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360 Capital



14 December 2021

Mr. Richard Longes
Independent Non-Executive Chairperson
Irongate Group
Level 13, 95 Pitt Street
Sydney NSW 2000

Dear Mr. Richard Longes,

FURTHER IMPROVED INDICATIVE AND NON-BINDING PROPOSAL TO ACQUIRE IRONGATE GROUP FOR AN ALL CASH CONSIDERATION OF \$1.72 PER IAP SECURITY

We refer to the following correspondence and ASX announcements:

- 360 Capital Group's ("TGP") and 360 Capital REIT's ("TOT") (together with their associated entities) ("360 Capital") indicative and non-binding proposal to acquire, by way of an agreed trust scheme, all of the stapled securities in Irongate Group comprised of Irongate Property Fund I (ARSN 162 067 736) and Irongate Property Fund II (ARSN 644 081 309) ("IAP") dated 15 October 2021 ("Initial Indicative Proposal");
- our letter to you dated 11 November 2021, outlining our proposal to increase the all cash consideration from \$1.6047 to \$1.6547 (after reducing for the announced \$0.0453 distribution per IAP security for the half year ended 30 September 2021) ("Improved Indicative Proposal");
- ASX release with our response to IAP's rejection of the Improved Indicative Proposal dated 12 November 2021; and
- IAP's announcement of acquisitions and equity raising, by way of an approximately A\$50 million institutional placement at an issue price of \$1.55 per IAP stapled security ("Equity Raising"), dated 9 December 2021.

Unless otherwise defined, capitalised terms and expressions used in this letter have the same meaning given to them in the correspondence referred to above.

We note the \$1.55 issue price of the Equity Raising represented a 6.3% discount to the \$1.6547 proposed all cash consideration under 360 Capital's Improved Indicative Proposal, which the IAP Board rejected on 12 November 2021.

After careful consideration of IAP's announcement on 9 December 2021 regarding the Equity Raising, 360 Capital is prepared to present this further improved indicative and non-binding proposal ("Further Improved Indicative Proposal") to acquire, by way of an agreed trust scheme, all of the stapled securities in IAP which 360 Capital does not already own, for an

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increase in the all cash consideration from \$1.6547 to \$1.72 per IAP security (“**Further Improved Scheme Consideration**”).

360 Capital believes the Further Improved Indicative Proposal represents a value proposition that IAP securityholders will consider compelling and which warrants engagement by the IAP Board.

360 Capital’s Further Improved Scheme Consideration represents a:

- 11.0% premium to the Equity Raising issue price of A\$1.55 per security (undertaken less than a week ago);
- 7.2% increase to the Initial Indicative Proposal’s consideration of A\$1.6047 (after reducing for the announced distribution of A\$0.0453 per security for the half year ended 30 September 2021);
- 14.7% premium to IAP’s closing price of \$1.50 per security on 15 October 2021, being the business day prior to the announcement of the Initial Indicative Proposal;
- 42.1% premium to IAP’s undisturbed trading price of \$1.21 per security on 28 January 2021 being the day before 360 Capital announced it had acquired an initial 9.18% strategic stake in IAP;
- 22.0% premium to 360 Capital’s average entry price of its 19.99% strategic stake in IAP of \$1.41 per security; and
- 11.7% premium to IAP’s pro forma net tangible assets of \$1.54 per security as disclosed in IAP’s ASX announcement on 9 December 2021 in relation to the Equity Raising.

The Further Improved Scheme Consideration of \$1.72 cash per IAP security represents an implied price per security in South African Rand terms of R19.59¹. Based on IAP’s South African Rand denominated security price on the Johannesburg Stock Exchange (“**JSE**”), this represents a:

- 23.5% premium to IAP’s closing price of R15.86 per security on 14 October 2021, being the day before the date of the Initial Indicative Proposal; and
- 19.5% premium to IAP’s 1 month VWAP of R16.39 per security on 14 October 2021.

The Further Improved Indicative Proposal is otherwise subject to the same terms and conditions set out in the Initial Indicative Proposal and the Improved Indicative Proposal.

Sources of Finance

360 Capital’s sources of finance remain consistent with what was outlined in the Improved Indicative Proposal.

Next Steps

360 Capital would be pleased to engage directly with the Board of IAP and its advisers as soon as possible to discuss the Further Improved Indicative Proposal and its funding arrangements in a manner that minimises disruption to IAP’s business.

¹ Based on South African Rand to Australian Dollar ratio of 0.0878 as at 13 December 2021

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We look forward to discussing our Further Improved Indicative Proposal with you at your earliest convenience. To discuss the Further Improved Indicative Proposal please contact the undersigned.

Yours sincerely,

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360 Capital



Who is 360 Capital

360 Capital Group (ASX: TGP) 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.

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

For further details: www.360capital.com.au