

SENS ANNOUNCEMENT

31 January 2022

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 non-binding, indicative proposal from Charter Hall managed partnership¹ and cautionary announcement

Irongate Group (IAP) announces that on Saturday 29 January 2022 it received a non-binding, indicative proposal from a Charter Hall (ASX: CHC) (**Charter Hall**) managed partnership comprised of Dutch pension fund PGGM (**PGGM**) and Charter Hall (together, the **Partnership**) to acquire, by way of an agreed trust scheme, all of the stapled securities in IAP for A\$1.90 cash per IAP stapled security² (**Indicative Proposal**). Under the terms of the Indicative Proposal, IAP securityholders will be entitled to retain a distribution for the period ending 31 March 2022 of up to 4.67 cents per stapled security³.

The Indicative Proposal includes a memorandum of understanding with IAP's largest securityholder, 360 Capital⁴ (**MOU**). The MOU contains a call option over 360 Capital's 19.9% securityholding in IAP. The MOU also includes standstill and exclusivity provisions in favour of the Partnership and describes a proposal under which 360 Capital will acquire certain assets within IAP's portfolio, IAP's funds management business and IAP's co-investment stake in the ITAP Fund if the Partnership is successful in acquiring IAP. The Indicative Proposal is not conditional upon 360 Capital completing the acquisitions meaning that the Partnership will retain responsibility for funding the Indicative Proposal.

The Indicative Proposal indicates that the Partnership expects to fund the Indicative Proposal from existing financial resources, including existing cash and undrawn and new debt facilities. Charter Hall and PGGM have received approvals from their relevant Board and Investment Committees to pursue the transaction.

The IAP Board is considering the Indicative Proposal with the assistance of its advisers. 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 Indicative Proposal contains the following conditions:

- Completion of due diligence to the satisfaction of the Partnership (request for 6-week exclusive due diligence period);
- Final approval of the Partnership boards and investment committees 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 and no shop);
- JSE and other regulatory approvals;

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- FIRB approval; and
- The unanimous recommendation of the IAP Board.

IAP's advisers are Macquarie Capital (Australia) Limited and J.P. Morgan Securities Australia Limited as its financial advisers, King & Wood Mallesons as its Australian legal adviser and Cliffe Dekker Hofmeyr as its South African legal adviser.

A copy of the ASX announcement including the Indicative Proposal and MOU is available for inspection at <https://www2.asx.com.au/markets/company/iap>

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

² Reduced by any subsequent distribution announced or paid in respect of IAP, excluding the distribution for the period ending 31 March 2022. A\$1.90 per IAP stapled security represents an implied price per IAP stapled security in South African Rand of R20.65, based on the South African Rand to Australian Dollar ratio of 0.092 as at 28 January 2022.

³ The distribution for the period ending 31 March 2022 represents the top end of the guidance given to the market by IAP on 9 December 2021.

⁴ 360 Capital includes 360 Capital Group and 360 Capital REIT

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Johannesburg

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