IRONGATE

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ASX ANNOUNCEMENT

12 November 2021

Irongate Group (ASX:IAP)

Irongate Group rejects revised indicative proposal from 360 Capital

Irongate Group (**IAP**) has received the attached revised non-binding indicative proposal received 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$1.6547[1] cash per stapled security (being a headline price of A$1.70 less the announced distribution of A$0.0453 per stapled security for the half year ended 30 September 2021) (**Revised Indicative Proposal**).

The Revised Indicative Proposal reflects an increase of only 3.1% from the original indicative proposal (**Indicative Proposal**) of 15 October 2021 with no changes to its highly conditional terms. The IAP Board has consulted with its advisors and has unanimously concluded that the Revised Indicative Proposal continues to materially undervalue IAP and therefore does not represent a compelling proposition for securityholders.

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:

Lucy Spenceley
Investor Relations and Company Secretary

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[1] A$1.6547 per IAP stapled security represents in South African Rand an implied price per IAP stapled security of R18.39, based on the South African Rand to Australian Dollar ratio of 0.090 as at 11 November 2021.

360 Capital

11 November 2021

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

Dear Mr. Richard Longes,

IMPROVED INDICATIVE AND NON-BINDING PROPOSAL TO ACQUIRE IRONGATE GROUP FOR AN ALL CASH CONSIDERATION OF $1.70 PER IAP SECURITY LESS THE ANNOUNCED DISTRIBUTION FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

We refer to 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**").

We have been disappointed that the IAP Board and Management team have elected not to engage with 360 Capital in any capacity to discuss the Initial Indicative Proposal nor confirm our funding arrangements.

Since the submission of 360 Capital's Initial Indicative Proposal, IAP released its half year ended 30 September 2021 results ("**HY22 Results**") on 27 October 2021, which noted an increase in NTA from $1.43 to $1.55 per IAP security following the revaluations undertaken as at 30 September 2021.

360 Capital has reviewed the IAP HY22 Results and after careful consideration, is pleased to present this improved indicative and non-binding proposal ("**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 all cash consideration of $1.70 per IAP security ("**Improved Scheme Consideration**") less the announced distribution of $0.0453 per IAP security for the half year ended 30 September 2021.

360 Capital believes the Improved Indicative Proposal represents a value proposition that IAP securityholders will consider attractive and warrants direct engagement by the IAP Board. The Improved Scheme Consideration represents:

- 13.3% 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;
- 11.4% premium to IAP's 1 month VWAP of $1.53 per security on 15 October 2021;

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- 40.5% 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;
- 15.6% premium to the 15 June 2021 equity capital raising price of $1.47 per security;
- 20.6% premium to 360 Capital's average entry price of its 19.99% strategic stake in IAP of $1.41 per security; and
- 9.7% premium to IAP's net tangible assets of $1.55 per security as at 30 September 2021.

The Improved Scheme Consideration of $1.70 cash per IAP security represents an implied price per security in South African Rand terms of R19.25[1]. Based on IAP's South African Rand denominated security price on the Johannesburg Stock Exchange ("**JSE**"), this represents a:

- 21.4% 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
- 17.5% premium to IAP's 1 month VWAP of R16.39 per security on 14 October 2021.

The attached slides outline why 360 Capital believes the all cash consideration of $1.70 per IAP security is compelling for IAP securityholders.

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

Sources of Finance

We refer to IAP's ASX announcement rejecting the Initial Indicative Proposal from 360 Capital released on 27 October 2021 ("**NBIO Rejection Announcement**"), which stated that the IAP Board notes 360 Capital has not provided certainty on its ability to fund the Initial Indicative Proposal.

From the date of the submission of the Initial Indicative Proposal and the release of the NBIO Rejection Announcement, no one from the IAP Board or management team have engaged directly with 360 Capital to ascertain the status of our funding arrangements.

360 Capital's sources of finance remain consistent with what was outlined in the Initial Indicative Proposal as discussions with ESR continue.

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 Improved Indicative Proposal and its funding arrangements in a manner that minimises disruption to IAP's business.

We believe the Improved Indicative Proposal reflects a compelling value proposition for IAP securityholders who should be given the opportunity to consider.

[1] Based on South African Rand to Australian Dollar ratio of 0.0883 as at 10 November 2021

360 Capital

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

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