

ASX Release

Charter Hall managed partnership enters in to a SIA to acquire Irongate Group

30 March 2022

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Charter Hall Group (ASX: CHC) is pleased to announce that a Charter Hall managed partnership comprising Dutch pension fund PGGM and Charter Hall (the **Partnership**) has entered into a Scheme Implementation Agreement (**SIA**) with Irongate Group (ASX: IAP) to acquire all IAP stapled securities via trust schemes of arrangement, subject to certain conditions (the **Transaction**).

Under the terms of the SIA, IAP securityholders will receive \$1.90 cash per IAP stapled security and be entitled to retain the distribution for the period ending 31 March 2022 of up to 4.67 cents per IAP stapled security¹.

The IAP Board has unanimously recommended that IAP securityholders vote in favour of the Transaction, subject to no superior proposal emerging and an independent expert concluding that the Transaction is fair and reasonable, and therefore in the best interest of, IAP securityholders.

Under the Transaction:

- Charter Hall will own a 12% stake in the Partnership, with PGGM owning the remaining 88% interest;
- The Partnership will fund the initial acquisition of IAP and post the asset sales (discussed below), will own a \$1.6 billion portfolio of IAP's industrial and office properties;
- Pursuant to the Memorandum of Understanding (**MOU**) entered into with 360 Capital, the Partnership has agreed to sell three IAP properties to 360 Capital for aggregate consideration of \$256.7 million shortly after implementation of the schemes². The Transaction is not conditional upon 360 Capital completing the acquisitions, meaning that the Partnership will retain responsibility for funding the Transaction; and
- Charter Hall has agreed to acquire IAP's funds management business for \$5.0 million and associated co-investment stakes for \$22.5 million. The Partnership will nominate Charter Hall as the acquirer of all of the units in Irongate Property Fund II on implementation of the Transaction.

Charter Hall Managing Director and Group CEO, David Harrison said, "We are pleased to continue our partnership with PGGM with the expansion of our industrial and logistics mandate. This Transaction further demonstrates Charter Hall's track record of structuring and executing take private transactions alongside our wholesale capital partners, following the successful acquisition of ALE Property Group by Charter Hall Long WALE REIT and Hostplus in 2021."

The Transaction is conditional upon a number of matters set out in the SIA, including IAP securityholder approval of the trust schemes of arrangement and other customary conditions³.

The Partnership has engaged Barrenjoey Advisory Pty Limited and Morgan Stanley Australia Limited as its financial advisors and Allens as its legal advisors in relation to the Transaction.

¹ The offer price of \$1.90 per IAP stapled security will be reduced by any subsequent distribution announced or paid in respect of IAP, excluding the distribution for the period ending 31 March 2022 of up to 4.67 cents per IAP stapled security.

² The MOU entered into on 28 January 2022 contained an agreement to on-sell four properties, as well as IAP's funds management business and associated co-investment stakes, to 360 Capital. During due diligence it was agreed that the Partnership would retain 100 Willis Street, Wellington and Charter Hall would acquire IAP's funds management business on the same terms.

³ Customary conditions are set out in the SIA and include: receipt of customary ASIC relief and ASX, JSE and SARB approvals and exemptions, receipt of court approvals, FIRB and OIO approvals, an independent expert concluding the Transaction is fair and reasonable, and therefore in the best interests of, IAP securityholders and no Prescribed Occurrence, regulatory actions or legal restraints preventing the Proposal per the SIA.

The indicative implementation timetable is subject to approval by the Johannesburg Stock Exchange and will be published in the scheme booklet to be sent to IAP securityholders (expected to be in May 2022). The parties currently anticipate targeting implementation of the Transaction in late July 2022.

Announcement Authorised by the Chair and Managing Director and Group CEO

Charter Hall Group (ASX: CHC)

With over 30 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure.

Operating with prudence, we've curated a diverse \$61.3 billion property portfolio of 1,516 properties. With partnership at the heart of our approach, we're creating places that help grow communities; turning them into the best they can be and unlocking hidden value. Taking a long-term view, our \$13.2 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

Charter Hall has also extended its Fund Management capability into another asset class with the 50% acquisition of the \$18.2 billion listed equities Fund Manager Paradise Investment Management (PIM), which invests on behalf of wholesale and retail investors across domestic and global listed equities.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

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