



ASX Release

12 November 2021

REAL ASSETS PRIVATE EQUITY CREDIT

Response to Irongate Group's rejection of the Improved Indicative Proposal

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We refer to Irongate Group's ("IAP") ASX announcement dated 12 November 2021 rejecting 360 Capital Group's ("TGP") and 360 Capital REIT's ("TOT") (together with their associated entities) ("**360 Capital**") improved indicative and non-binding proposal to acquire, by way of an agreed trust scheme, all of the stapled securities in IAP for an all cash consideration of \$1.70 per IAP security less the announced distribution of \$0.0453 per IAP security for the half year ended 30 September 2021 ("**Improved Indicative Proposal**").

360 Capital is disappointed the IAP Board has again chosen not to engage with 360 Capital despite the Improved Indicative Proposal representing an attractive premium across a number of valuation metrics as evidenced in the attached materials which were provided to the IAP Board.

Furthermore, 360 Capital is surprised the IAP Board has not given its securityholders the opportunity to be aware of and to consider the Improved Indicative Proposal before releasing its Improved NBIO Rejection Announcement.

360 Capital Managing Director, Tony Pitt said: "360 Capital remains committed to working with the Board and management of Irongate Group for a period of time, but will remain disciplined in its investment approach to assets, particularly given current uncertainties in this rising interest rate environment".

For further information in relation to the Improved Indicative Proposal and this announcement please contact either

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360 Capital



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Authorised for release by Kimberley Child, Company Secretary 360 Capital Group.

More information on TOT can be found on the ASX's website at www.asx.com.au using ASX code "TOT", at our website www.360capital.com.au, by calling the TOT investor line: 1300 082 130 or by emailing investor.relations@360capital.com.au.

About 360 Capital REIT (ASX: TOT)

The Fund 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.

About 360 Capital Group (ASX: TGP)

360 Capital Group 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, public and private equity and credit strategies. We partner with our stakeholders to identify, invest and realise on opportunities.

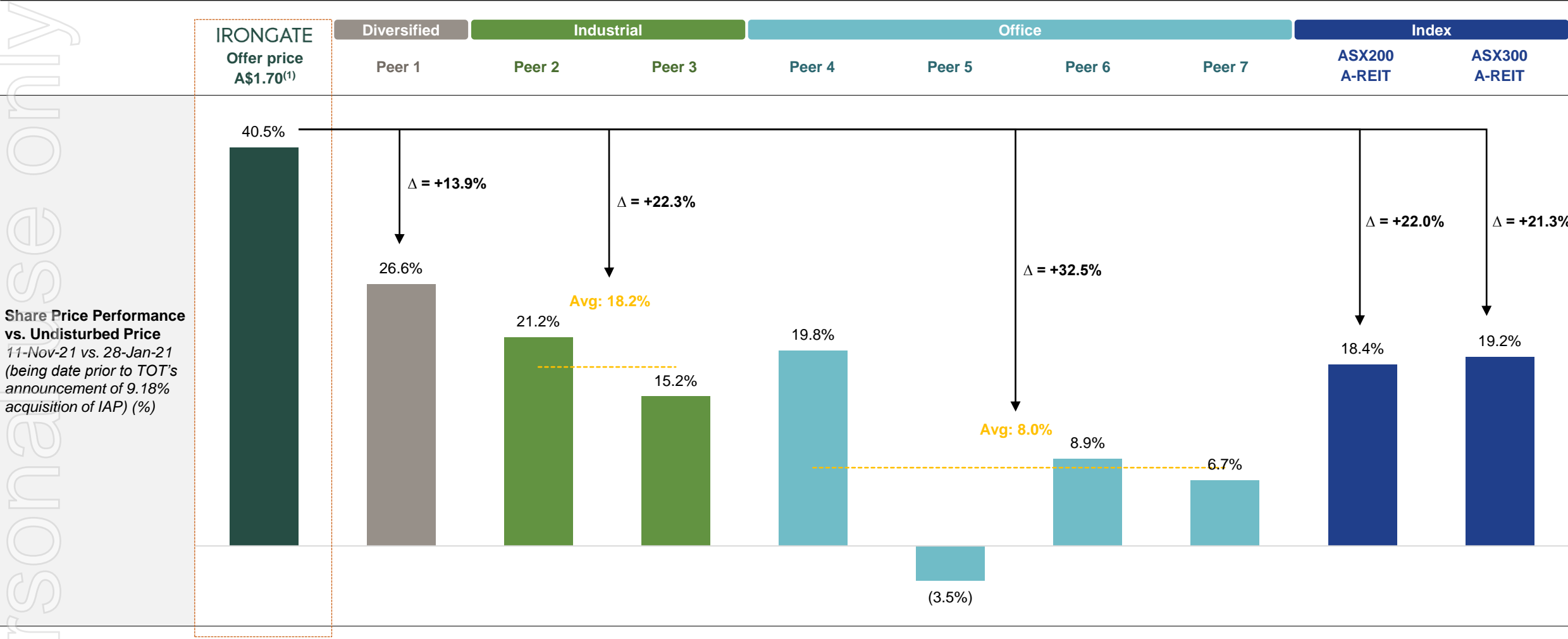
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Materials

12 November 2021

Share Price Performance of Selected A-REITs

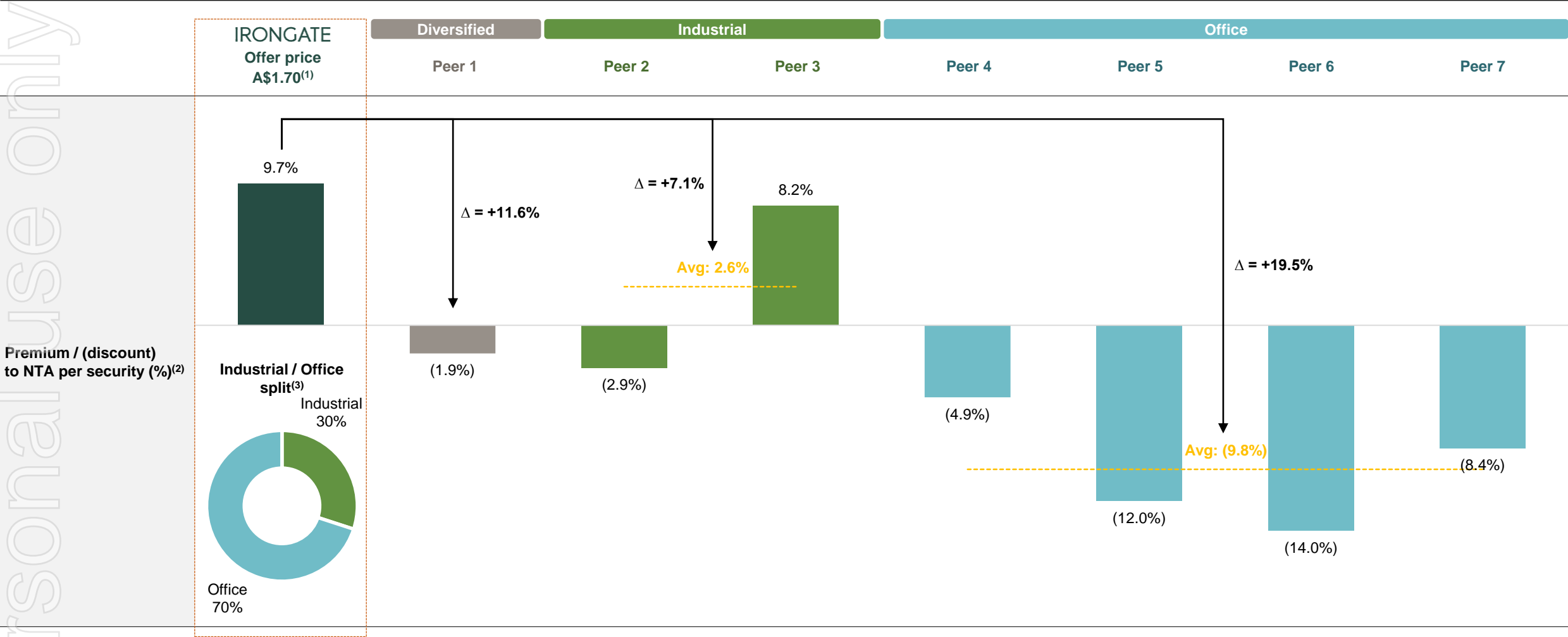
The Improved Scheme Consideration is 40.5% above IAP’s undisturbed share price before 360 Capital announced its 9.18% stake acquisition in January 2021. This is a materially higher return relative to the share price performance of IAP’s office and industrial A-REIT peers during the same period.



Sources: Company filings, FactSet and Iress. Market data as at 11 November 2021.
Notes: (1) Cash consideration of A\$1.70 per IAP security less the announced distribution of A\$0.0453 per IAP security for the half year ended 30 September 2021.

Premium / (Discount) to NTA of Selected A-REITs

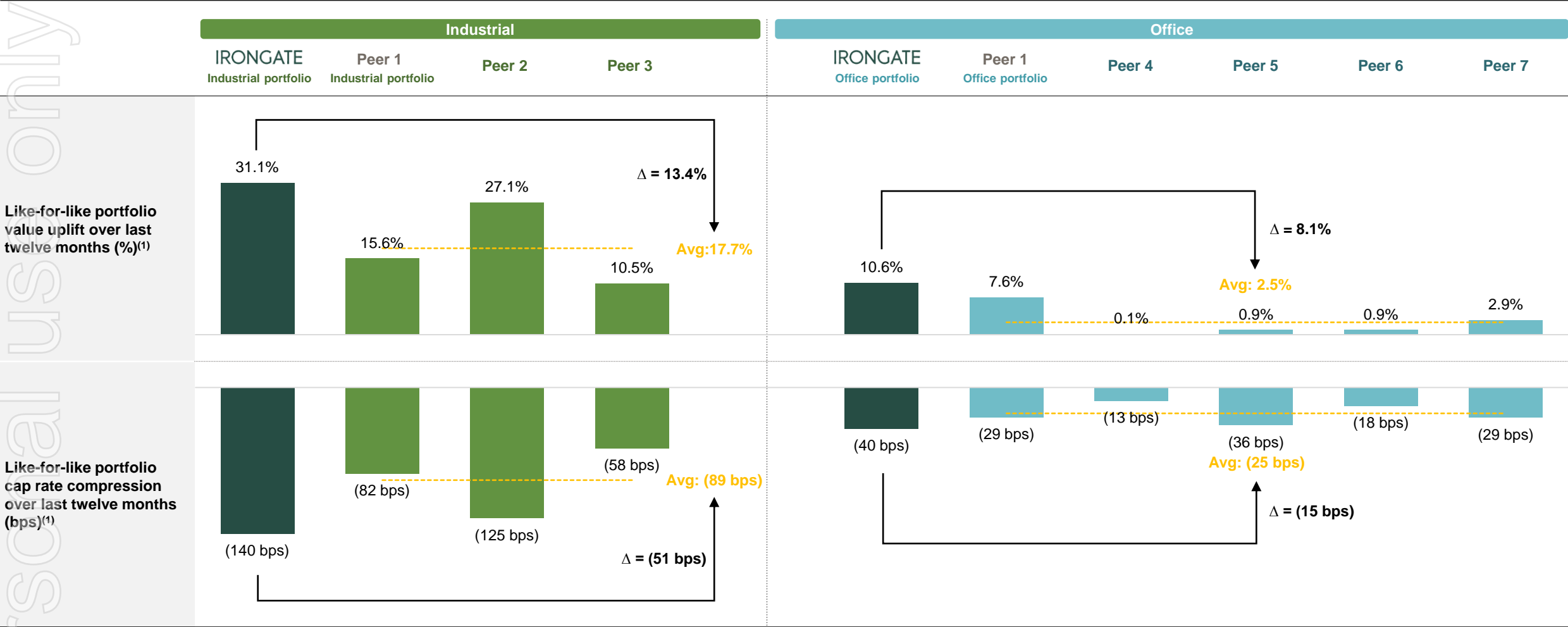
The Improved Scheme Consideration represents a premium to NTA per security of 9.7%, making it one of the highest premiums relative to its A-REIT peers. This is an attractive value proposition for IAP securityholders as 70% of IAP’s portfolio is weighted to office assets, with office peers trading at large discounts to NTA.



Sources: Company filings, FactSet and Iress. Market data as at 11 November 2021. Notes: (1) Cash consideration of A\$1.70 per IAP security less the announced distribution of A\$0.0453 per IAP security for the half year ended 30 September 2021. (2) Based on latest reported NTA per security. (3) Industrial / Office split as reported in HY22 Investor Presentation. Weighted by gross property income.

Last Twelve Months Portfolio Value Uplift and Cap Rate Compression

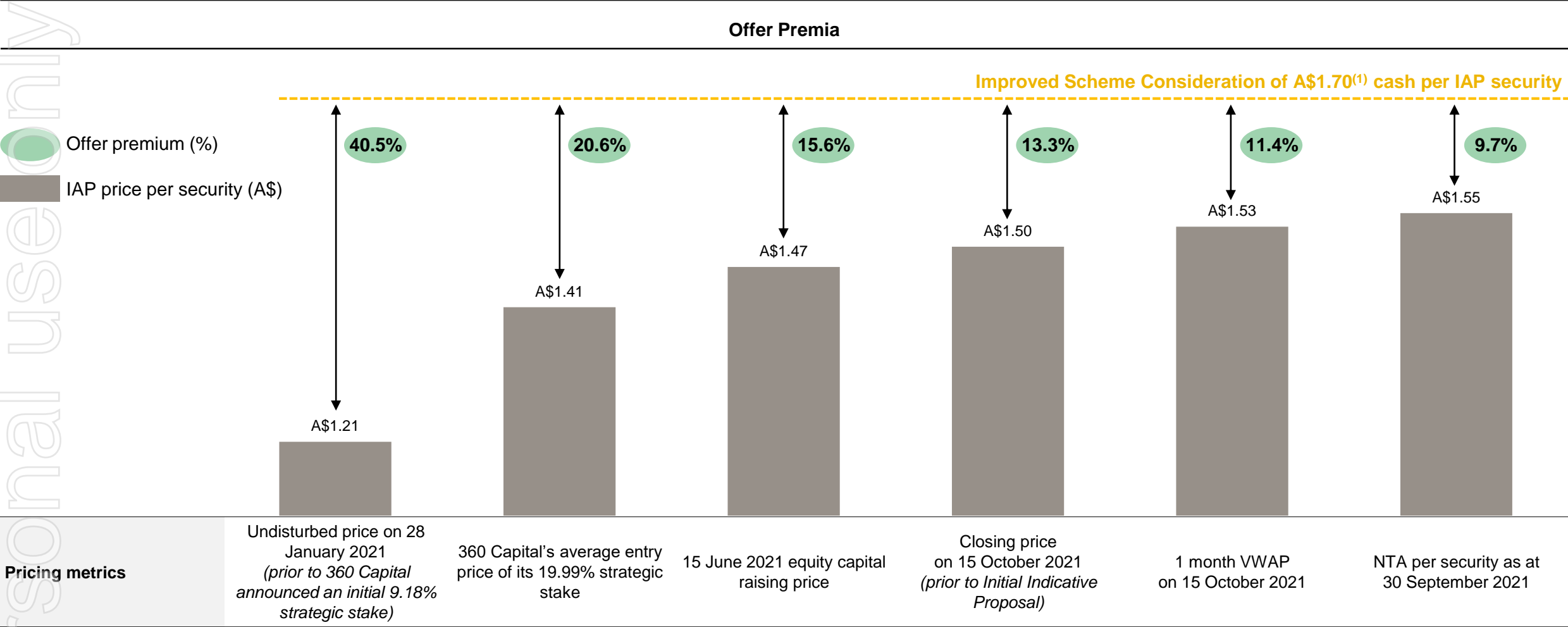
IAP has already booked significant revaluation gains in the last twelve months, with IAP having reported the highest percentage portfolio value uplift and largest cap rate compression relative to its A-REIT peers in both industrial and office assets.



Sources: Company filings. Notes: (1) Like-for-like based on assets existing in both last reported and previous corresponding period (i.e. excludes acquisitions and divestments during the period). Last twelve months based on last reported and previous corresponding period. IAP based on Sep-21 and Sep-20, and peers based on Jun-21 and Jun-20.

Offer Premia

The Improved Scheme Consideration represents a meaningful premium across a number of pricing metrics for IAP securityholders, which 360 Capital believes warrants engagement by the IAP Board.



Sources: FactSet and IRESS. Notes: (1) Cash consideration of A\$1.70 per IAP security less the announced distribution of A\$0.0453 per IAP security for the half year ended 30 September 2021.

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Note that the information is presented in Australian dollars, unless otherwise noted.